ಮಾನ್ಯ ಮುಖ್ಯಮಂತ್ರಿಗಳು ಮಾಡಿದ ಆಯವ್ಯಯ ಭಾಷಣದ ಆಂಗ್ಲ ಭಾಷಾಂತರ

Hon'ble Speaker,

I took oath of the office of Chief Minister in the name of farmers and I have accorded top priority to the welfare of farmers and the development of agriculture sector. In these 33 months, I have made honest attempts to formulate and implement several pro-farmer policies and programmes. Poet Kuvempu's famous poem " ಉಳುವ ಯೋಗಿಯ ನೋಡಲ್ಲಿ", which inspires us, has been accepted as our farmers' song so that we salute the farmers who deserve to be remembered every morning.

" ನೇಗಿಲ ಕುಲದೊಳಗಡಗಿದೆ ಕರ್ಮ
ನೇಗಿಲ ಮೇಲೆಯೇ ನಿಂತಿದೆ ಧರ್ಮ"

(duty resides in the tip of the plough while 'dharma' stands on the plough)

These words though brief convey a deep thought.

2. "ಕೋಟಿ ವಿದ್ಯೆಗಳಲ್ಲಿ ಮೇಟಿ ವಿದ್ಯೆಯೇ ಮೇಲು
ಮೇಟಿಯಿಂ ರಾಟಿ ನಡೆದುದಲ್ಲದೆ
ದೇಶದಾಟವೇ ಕೆಡಗು ಸರ್ವಜ್ಞ"

— ಸರ್ವಜ್ಞ

(of all numerous learnings, farming is superior. The farming cycle keeps the entire nation on the move)

This meaningful vachana of Sarvagna reflects the importance of agriculture as well as the farmer.

3. "ಕೃಷಿ ಕೆಡಗುಪೇಕ್ಷೆಯಲಿ" (neglect of agriculture leads to ruin) – When neglected, not only does the agriculture sector get ruined but food security also gets compromised and the country faces disaster, is the warning given by the poet in his saying. I have therefore been

giving top priority to agriculture right from my first budget till now. Taking one more step forward, I have made a novel attempt to formulate an exclusive budget for the agriculture sector. This attempt is the first and the only one of its kind in the entire country. I hope that my effort in this regard will get unanimous support from the people of the state.

4. For many decades, about 70 per cent of the population of our country as well as the state were dependent on agriculture. In recent years this proportion has come down to 61 per cent. The condition of the farmers, who are the back-bone of the country, has not improved to the expected level. In this direction it is necessary to take some more and varied steps.

5. With this objective, for the first time in our state, I have made this unique attempt to give a new dimension to the schemes related with land and water. While making this attempt, I have taken into consideration the advice of experts and farmer leaders, the main points in the evaluation reports relating to agriculture and public opinion expressed in the media.

6. **Why a separate budget for agriculture?**

- Agriculture is a State subject, and the role of state government in the development of agriculture sector is very important.
- The average size of holdings is declining gradually. There were 35.51 lakh holdings in 1970-71, which increased to 70.79 lakh in 2001-02, and further to 75.81 lakh in 2005-06. The average holding size has come down from 3.20 hectares in 1970-71 to 1.63 hectares in 2005-06.
- Agriculture sector has got a high potential to create employment and generate income in rural areas.

- While in the recent years, the share of agriculture in total employment has come down from 65% to 61%, its contribution to the GDP has decreased by half, i.e. 36% to 18%.
- As stipulated in the agriculture policy, it is not an easy task to achieve a growth rate of 4.5 per cent in agriculture GDP. It is a challenge to double the growth rate of agriculture GDP achieved during the 10th Five Year Plan. This requires greater attention to both the demand and supply sides of the agriculture sector.

7. The important deficiencies observed in the development of agriculture and allied sectors are as follows.

- **Lack of investment:** One of the main deficiencies, over several decades, has been the inadequate investment provided to the agriculture and allied sectors at the national and the state levels. Most of the investment currently made is farmer's own. This investment is substantially less than investments in other sectors. Besides, the farmers do not easily get the required capital assistance through financial institutions.
- **Lack of appropriate technology:** In spite of development of technology in laboratories and private research institutions, the fruits of these developments have not adequately reached the farmers. This applies to the appropriate crop varieties, agricultural practices, training to farmers and all related matters.

- **Processing and marketing:** The farm produce of the farmers, who sweat to grow them with great hardship, without caring for rain or sun, do not fetch reasonable prices. The farmers do not get remunerative prices because of the lack of grading facilities, warehousing, cold-storage, processing centres and marketing facilities. At the same time agriculture and allied products are also not available to the consumers at reasonable prices.
- **Lack of partnership:** In spite of availability of the expertise of many national and international level institutions, it has not been possible to fully utilize their services. There is a need to formulate appropriate policies in this direction.

8. The outlays towards agriculture and allied activities have always been met through the general budget. Though several initiatives have been taken, and substantial increases have been made in every scheme, their impact is not visible because of the resources being spread thinly among various schemes in the entire budget. This has made it difficult to overcome the shortcomings, and to provide the necessary fillip to the agriculture sector. In order to provide the required impetus for growth in agriculture sector it is time to have a separate budget for agriculture.

9. This Agriculture Budget integrates the land and water centred schemes along with allocations for their sub-sectors. I believe that this Agriculture Budget will facilitate serious discussions to find a comprehensive solution for the problems in agriculture and also to identify necessary strategies to tackle them.

Important achievements

10. I would like to mention here some of the highlights of the achievements of our government relating to the land and water related schemes, during the last 33 months.

Agriculture

11. Agricultural loans – lowering the interest rate: It is to the credit of our government that the rate of interest on agricultural loan has been reduced to 3 per cent for the first time in the country. The goal of our government is to provide farmers with adequate and timely credit at a low interest rate for agriculture and related activities. Therefore, arrangements have been made to provide loan at the rate of 3 per cent interest not only through co-operative institutions, but also through commercial banks.

12. **Substantial growth:** It is highly satisfying that the growth in agriculture sector, in the year 2010-11, in the state has increased to 5.9 per cent. (This was 0.5% and 4.3% in the years 2008-09 and 2009-10 respectively). I wish to state that after many years this rate of agricultural growth has been possible because of several measures taken by us.

13. **Record production:** The foodgrains production which was 109 lakh tonne during 2009-10 is likely to reach 125 lakh tonne during 2010-11 recording a growth of 15 percent. Though the area under cultivation has increased only by 3%, this record growth in production was due to the impressive growth in productivity.

14. The yield of oilseeds and cotton has increased by 32% and 38% respectively.

15. **Bhoo-chethana:** The objective of the Bhoo-chethana programme, being implemented through the technical assistance of ICRISAT, is to increase the crop productivity by at least 20% during 2009-2014 through technological inputs and supply of micro

nutrients. During 2009-11, 8.7 lakh farmers cultivating 12 lakh hectares of dry land in 16 districts have benefited from this scheme through increase in yield of 25 to 40%.

16. During the last 3 years, 21.7 lakh quintals of quality seeds have been distributed at subsidized rates to 81 lakh farmers for improving the productivity of crops.

17. **Organic farming:** For the first time in the country, an Organic Farming Mission has been constituted. During the last two years through this Mission an assistance of ₹ 74 crore has been given to 87,200 farmers in an area of 1,18,000 hectares to adopt organic farming practices.

18. **Supply of fertilizers :** Due to government's intervention the fertilizer market in the State has stabilized. During the last two years, the Karnataka State Marketing Federation has handled 23 lakh tonne of fertilizer valued at ₹ 1800 crore. The Karnataka State Marketing Federation now handles one third of the total volume of fertilizers in the state. In order to reduce the burden of the Federation, State Government will give 400 crore as working capital loan.

Bio-fuel

19. The achievements of Karnataka in the field of bio-fuel has attracted national attention. The state has left an imprint in bio-fuel sector by taking effective measures like (a) announcement of a bio-fuel policy (b) constitution of task force and (c) establishment of a State Bio-fuel Development Board, which is the first in the country. In the last two years bio-fuel plantation has been taken up in an area of 35,000 hectares. Eight Bio-fuel Centers have started functioning as "Information and Demonstration Centres". Steps have been taken to establish clonal orchards for developing quality seedlings. To promote the use of Bio-fuel, necessary guidelines will be incorporated in the Bio-fuel policy.

20. During 2010-11, 13,000 Million Units of energy has been provided to 17 lakh irrigation pumpsets. For this an amount of ₹3,576 crore has been given as subsidy to the ESCOMs. This amount constitutes 6% of the total budget. Every farmer with a pump-set thus benefits to an extent of ₹ 21,000 per annum.

Horticulture

21. **Increase in crop-area :** The area under horticulture in the state is 19.29 lakh hectares. In the last one year the area under horticulture has increased by 37,600 hectares. The total value of horticultural output is more than ₹ 18,000 crore. While the area under horticulture has increased by 4%, an increase of 5% has been achieved in the horticultural output.

22. **Bio-Centres, Horticulture Colleges and University:** The Government has established 4 Bio-centres for developing high yield variety seeds. Further, to promote horticulture, a separate university with 9 horticulture colleges and one post-graduate center has been established.

23. **Horticulture Boards:** Mango Board and Wine Board have been established for giving special attention to these valuable horticultural produce.

24. **Drip-irrigation:** Financial assistance has been provided for bringing 43,660 hectares of land under drip irrigation and to 7000 farmers to procure farm equipment.

Water Resources

25. **Completion of 14 projects:** In the last two and a half years, 14 incomplete and lingering irrigation projects have been completed and an area of 1,34,700 acres has been brought under irrigation.

26. **Commencement of Upper Bhadra Project:** At the time of my Government coming to power, some irrigation projects under

Scheme-A of Krishna Basin were at the preliminary stage. After expeditiously completing the preparatory works, these projects have been brought under implementation. In order to bring water to the highly drought-prone areas of Chitradurga, Tumkur and Kolar districts the Upper Bhadra Project has been commenced.

27. **Modernisation of canals and tank filling:** The modernizing of Bhadra, Tungabhadra and Kabini canals has brought 1,03,784 acres of land under irrigation. A project has been taken up to improve the ground-water level, by supply of water to tanks in the districts of Bijapur, Tumkur, Davangere and Cauvery basin areas.

28. **More funds from AIBP:** For the first time, approval for eight projects has been obtained for the balance amount of ₹ 2,039 crore under the Accelerated Irrigation Benefit Programme.

29. **Krishna Basin Projects:** The long-standing demand of the Krishna Basin farmers to extend the works of Chimmalagi and Gutti Basavanna and commencing the Mallabad Projects has been met by starting these works and arrangements have been made for implementation of Mulavad Lift Irrigation Project.

30. The projects of Nanjapura Lift Irrigation, Taraka, Uduthore Halla, Kama Samudra, Huchana Koppalu, Bennahalli Hundi have been completed. The drinking water projects of Gulur-Hebbur and Honnavali are under implementation.

31. **Modernisation of old dams:** A massive project for renovation of old anicuts has been taken up. The Shimsha Left Bank Canal development works have been commenced. The long pending Yagachi project which was started during 1986 has been completed. The K.R.S. gates which were in a dilapidated condition have been replaced at a cost of ₹ 7.4 crore.

32. **Rehabilitation:** ₹ 289 crore has been released for rehabilitation and resettlement under Upper Krishna Project. The

rehabilitation and resettlement packages under Bhima, Singatalur, Hirehalla and Hipparagi and also shifting of 10 villages affected by back-water of Narayanapura dam are being implemented.

Animal Husbandry

33. There has been considerable improvement in the field of animal husbandry on account of various steps taken by our Government in the last 33 months.

- n **Increased dairying:** Milk production in the State has increased to 48 lakh tonne from 41.24 lakh tonne during 2006-07.
- **Incentive to milk producers:** The milk subsidy of ₹ 2 per liter provided during 2008-09 has benefited 6.5 lakh members. An amount of ₹ 247.58 crore has been provided for this during 2010-11. On account of this, there is an increase of 6.42% in milk production.
- For establishment of a Mega Dairy with milk processing and cold-storage units at Chikballapura, an amount of ` 10 crore is provided. An amount of ₹ 10 crore is provided for establishing cold-storage units at Gulbarga and Belgaum.
- Under the scheme of Amrutha Yojane assistance of ₹ 33.69 crore has been provided in the last two years to 27,353 widows and Devadasi women who have been in distress.
- To overcome the shortage of veterinary doctors, veterinary colleges have been established in Shimoga and Hassan districts. Administrative approval has been given for establishing veterinary colleges in Gadag district and in Athani.

- In the year 2009-10, the output from animal husbandry sector is estimated to be at ₹ 13,273 crore. This is 19% higher when compared to the previous year.

Fisheries

34. About 1.16 lakh inland fishermen and 1.42 lakh coastal fishermen have benefited from fisheries. I am glad to announce that the fish production has increased in the State from 2.97 lakh tonne during 2007-08 to 4.90 lakh tonne during 2010-11.

New Strategies

35. Our Government has decided to take bold steps to solve the problems faced by agriculture, allied and irrigation sectors in the State. In this direction, I propose to accord more importance to formulating appropriate schemes for the increasing numbers of the marginal and small farmers, addressing the lack of appropriate technology, providing essential and modern processing facilities, construction of godowns and cold-storages and organizing partnerships with Institutions having expertise and mobilizing adequate capital for implementing these strategies alongwith formulating supporting policies.

36. I propose to take the following important steps to rejuvenate agriculture and its allied sectors in our State.

(i) Setting apart ₹ 17,857 crore for the development of agriculture, allied and irrigation sectors.

(ii) ₹ 1,000 crore will be provided for development of 10 lakh farmer families under Suvarna Bhoomi Yojana.

(iii) Crop loan will be made available at 1% rate of interest to the farmers through co-operative credit institutions.

(iv) ₹ 200 crore will be provided for organic farming.

(v) ₹ 125 crore will be provided for promotion of bio-fuels.

(vi) ₹ 100 crore will be provided for giving subsidy for drip irrigation and sprinkler irrigation.

(vii) ₹ 100 crore will be provided for giving subsidy for purchase of agricultural equipment.

(viii) ₹ 40 crore for extending Bhoo-Chethana programme to all 30 districts.

(ix) Provision of ₹ 40 crore for providing one modern mobile unit to each taluk for extension work in agriculture, horticulture and animal husbandry.

(x) ₹ 10 crore special grant for floriculture development.

(xi) Organising Global Agro Investment Meet for the first time in the country.

(xii) Formulating Karnataka Agri Business Development Policy.

(xiii) Establishing Agriculture Infrastructure Fund of ₹ 500 crore.

(xiv) Increasing the Agriculture Revolving Fund to 1000 crore.

(xv) Providing ₹ 3,900 crore for supplying quality power to irrigation pumpsets.

(xvi) For rejuvenation of tanks and for filling up of water in the dried tanks, an amount of ` 1,000 crore will be provided.

(xvii) ₹ 100 crore will be provided for regularisation of one lakh unauthorised pumpsets.

(xviii) Declaring 2011-20 as "Irrigation decade", and mobilising ` 50,000 crore for water resources development.

(xix) Providing ₹ 7800 crore for irrigation sector during 2011-12.

(xx) Making interest-free loan available to the farmers' children for higher education.

(xxi) Incentives to rural cottage industries.

(xxii) Subsidy will be provided to 50,000 youths for starting bee-keeping industry.

(xxiii) Special emphasis on updating of land records and amendment to the Land Reforms Act.

(xxiv) Priority to transparency and computerization of agricultural markets.

(xxv) Provision of ₹ 5 crore for construction of 50 fish markets.

(xxvi) Providing ₹ 100 crore for construction of small harbours.

(xxvii) Providing ₹ 100 crore for construction of warehouses.

Agriculture development

37. **Suvarna Bhoomi Yojana :** There are 76 lakh farmer families in the State. 8.82 lakh of these families belong to the Scheduled Castes and 4.39 lakh belong to the Scheduled Tribes. Of the total farmer families 75% are small and marginal farmers. To improve the economic condition of these small and marginal farmers, it has been decided to evolve a comprehensive scheme in co-ordination with all land and water development departments, Agricultural Universities and expert Institutions. The details are as follows:

i. A special scheme will be implemented this year for rejuvenating the lives of 10 lakh farmer families, including 2 lakh families from the Scheduled Castes and 1 lakh from the Scheduled Tribes.

ii. Under this scheme every farmer family with land holding up to 2 acres will be given financial assistance amounting to ₹ 10,000 in two installments, directly through banks or co-operative societies. In case of the holding being less than 2 acres, the incentive will be given proportionately.

iii. The sectoral breakup of the 10 lakh beneficiaries is as follows: Horticulture – 2.5 lakh (mango, grapes, pomegranate, lemon, banana, pineapple, sapota, papaya and others), Sericulture - 50,000, Bio-fuels – 1 lakh (honge, seemaruba and others), Organic farming – 2 lakh, Oil seeds of high yielding varities, Pulses and BT cotton – 3 lakh, Apiculture – 50,000, Fish farming in water logged and saline lands - 50,000. I hope, through this scheme the standard of living of farmers on about 15 lakh acres of land will improve.

iv. This scheme will be applicable mainly to dry land farmers and will not include command areas of irrigation projects.

v. Technical co-operation will be taken from national and international expert institutions (ICRISAT, IIMB, ISEC, etc.), to formulate this scheme meticulously for efficient implementation and effective monitoring. The departments concerned will co-ordinate as the nodal departments for their respective areas. All details of the beneficiaries will be put on the internet and all

beneficiaries will be given pass books. At the preparatory stage, ₹ 20 crore will be set apart for project formulation.

vi. Detailed action plans will be prepared by the end of March 2011, so that the scheme can be implemented from April 2011 and the farmers are able to get benefits of this scheme before monsoon begins. Beneficiaries will be selected from all parts of the State.

vii. An amount of ₹ 1000 crore will be spent during this year for effective implementation of all these components.

38. **Agricultural loan at 1% interest:** From this year, for crop loans upto ` 3 lakhs from co-operative institutions, the rate of interest will be reduced from 3% to 1% and arrangements would be made to provide easy credit to the farmers. The difference of interest on account of reduction will be met by the State Government. The rate of interest on crop loans upto ₹ 50,000 taken from commercial banks will continue to be 3 per cent.

39. **Organic Farming Mission:** For the first time in the country in the year 2008, it was our State which constituted the Organic Farming Mission Committee with farmers as members. Programmes for promotion of organic farming are being implemented through organic farmers associations. In order to give more prominence to this, I am participating once a month regularly, in a programme called "Annadathana Angaladalli Mukhyamanthri galinda Savayava Samvada". The number of organic farmers which presently is 72,000 will be increased to 5,28,000 in the coming years, with every taluk having 3000 organic farming families. An amount of ₹ 200 crore will be provided for their training, skill development foreign tour, product processing, marketing assistance and evaluation activities.

40. **Micro irrigation scheme for agricultural and horticultural crops:** It is necessary to have micro irrigation to promote optimal utilization of water, to encourage conservation of ground water, to achieve higher crop yields and production and also to get efficient use of electricity. This scheme will be implemented with the Central share of 40% and the State component of 35% through the Antharganga Corporation in partnership with expert institutions. An area of two lakh hectares each of agriculture and horticulture will be brought under micro irrigation. An amount of ₹ 100 crore will be provided for this during the year 2011-12. Priority will be given to the taluks with severe ground water depletion.

41. **Farm Mechanisation:** There is a need for more mechanized farm equipments so that farmers can undertake timely agricultural activities. As per the requirement of the farmers, equipment such as, tractor tiller, paddy harvesting machine, sugarcane harvesting machine, etc. will be made available with a subsidy upto 50% and not exceeding ₹ 50,000. A provision of ` 100 crore will be made for this. Priority will be given to backward taluks in distribution of agricultural equipment.

42. **Bhoo Chethana:** The 'Bhoo-Chethana' scheme will be extended to 30 districts during 2011-12. About 30 lakh farmers covering 31 lakh hectares (including 3 lakh hectares in irrigation area) will benefit under this scheme. ₹ 40 crore will be provided for extending this scheme.

43. **Promoting Investment for Agricultural Infrastructure:** It is required to give more emphasis to sustainable farming, horticulture, animal husbandry, fisheries and processing in our State. Three factors need to be considered in this context, firstly, comprehensive development of agriculture and allied sectors; secondly, extending linkages between agriculture and industries

throughout the State; and thirdly, procuring modern technology and necessary capital from national and international sources. In this direction, we are taking two bold steps – one is formulating the right policy; and the second is to supplement by organizing a global investment meet.

i. **Karnataka Agri – Business Development Policy:** For the first time in the country, in order to provide facilities for processing and marketing of agricultural and allied products and to arrange the required investment as also to create a conducive environment, the "Karnataka Agri Business Development Policy" has been formulated.

ii. **Global Agri-Investment Meet:** There is a need to invest more capital on agriculture and other related activities in our State. It is estimated that about ` 51,000 crore would be required to implement strategies for improving the livelihood of farmers, give required training to their children, construct warehouses and cold storages throughout the State, have a system of grading of agricultural products in order to obtain better prices, establish connectivity with national and international markets, and to provide infrastructural facilities for agriculture and allied activities in the State. In order to attract large investments for the agriculture sector, "Global Agri-Investment Meet" will be organized in June 2011.

iii. In order to support both these initiatives technical and financial project reports will be prepared. ` 50 crore will be provided for this purpose.

iv. **Agri-Infrastructure Fund:** It is proposed to establish Agriculture Infrastructure Fund with a minimum annual capital of ` 500 crore, to attract investment towards

infrastructure for agriculture and allied areas., to establish processing units, to construct cold storages and warehouses and develop and maintain markets and undertake other related activities.

44. **Agri–Revolving Fund:** Farmers incur losses many a time when they do not get remunerative prices for their hard earned produce. Though the Central Government has fixed Minimum Support Prices, farmers are not getting a fair deal in the market. In order to take up price support operations to ensure that the prices of the five important crops of our State, namely, paddy, jowar, maize, ragi and toor do not go below the Minimum Support Price fixed by the Central Government, the Agri-Revolving Fund will be increased to ` 1000 crore.

45. **Production of paddy and sugarcane:** Paddy and Sugarcane are the two main crops grown in irrigated areas of Karnataka. In order to increase their productivity by 30% a scheme will be introduced from this year. Accordingly, in 4 years time, productivity of paddy and sugarcane will be increased in 8 lakh hectares and 4 lakh hectares respectively. An allocation of ` 9 crore will be made for this purpose.

46. **Supply of seeds:** Farmers of all categories will be facilitated to buy quality seeds with a subsidy of 50 per cent. This facility will be limited to 2 hectares of land per farmer. An amount of ` 60 crore will be provided during 2011-12.

47. **Diploma and Certificate Courses in Agriculture, Horticulture, Animal Husbandry and Fishery subjects:** In the field of agriculture, annually, only a thousand graduates are passing out from all the universities put together; of which 80% go on to pursue post-graduation courses and the remaining 20% join private companies for employment. As a result, there are no technical hands

available to assist the agriculturists in rural areas. In order to overcome this shortage, diploma and certificate courses will be started in various subjects through the Universities of Agriculture, Horticulture and Animal Husbandry and Fisheries and agriculture science centres. During this year, long duration training will be provided to 1000 students and short duration training to 3000 students. ₹ 1000 per month will be given as stipend to each student.

48. **Mobile Extension Services for Agriculture and Horticulture:** It is necessary to start mobile extension units so that technical knowledge in the field of agriculture, horticulture and animal husbandry is made available to the farmers. It has been planned to provide one vehicle for every taluka, so as to reach the farmers for solving their agricultural problems, providing right information on various schemes, and giving relevant advice and training. This will be planned and implemented in partnership with the agriculture universities and expert institutions in the Government and private sectors. An amount of ` 20 crore has been proposed for this.

49. **Priority to integrated farming:** In order to increase the agricultural income, it is necessary to revitalise the present agriculture system through comprehensive measures. Therefore, there is a need to establish integrated farming systems in the entire State. On an experimental basis in the first year, every university will be asked to implement integrated farming practices on a minimum of 25,000 hectares from 2011 monsoon season. Demonstration will be made in an area of 1,25,000 hectares. For this purpose, ₹ 75 crore will be provided.

50. **Increased production of seeds:** It is proposed to triple seeds production capacity in each university, so that the farmers of the State will be able to get high quality seeds. An amount of ₹ 5

crore will be provided as additionality for this purpose. This programme will be implemented by the Agriculture Department with the help of the Agriculture Mission.

51. **Priority to Apiculture:** By giving priority to bee-keeping and its products, more employment opportunities can be created for the youth in rural areas through promoting cottage industries. It will be necessary to provide skill-training and financial assistance for this purpose. In the first stage 50,000 honey boxes, each box costing about ₹ 1,250 will be given. This scheme will be implemented through the Organic Farming Mission.

52. **Bio-fuels:** Under the "Hasiru Honnu" and "Baradu Bangara" programmes coming under the Special Development Plan for the backward areas, an action plan is being prepared to take up bio fuel plantation (honge, semaruba etc), in the next three years, in one lakh hectares of wasteland. Under the Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 75 crore will be required at the rate of ₹ 15 crore per annum, for 5 years. An amount of ` 25 crore will be released for various activities undertaken by the State Bio-fuel Board.

53. **Agro-forestry promotion scheme:** In order to achieve 33% forest cover in the state a scheme has been formulated for promotion of agro-forestry, with active participation of farmers. In this scheme, for 5 years, 3 crore saplings will be distributed, every year for planting in the land of the farmers. Incentive amounts of ₹ 10, ₹ 15 and ₹ 20 will be given for three years to take care of every sapling. This scheme will be implemented in association with the Village Forest Committees and Self-help Groups. An amount of ₹ 50 crore has been provided for this purpose. Suitable steps will be taken to cover these plants under agricultural loan schemes.

54. **Single Window for the facilities to farmers:** There are several departments providing financial assistance to the farmers. It is necessary to bring them together under a single window for effective services. In some gram panchayaths of Gubbi taluk, computerized public service centres have been successfully implemented, which will be replicated in all gram panchayaths of the state. This service centre scheme will be implemented at a cost of ` 50 crore through E-governance and Agriculture Department's Raitha Samparka Kendras.

55. Prof. Nanjundaswamy who had devoted his entire life for farmers' movement and given a new momentum to their struggle, will be awarded "Krishi Rathna Prashasti" in recognition of his efforts. A grant of ` 10 lakh will be provided to his pratisthana.

56. Shri Thirthahalli Purushotham Rao, who planned the organic farming abhiyana, working hard for several years for this purpose and who was the source of encouragement to thousands of farmers, will be honoured with the "Savayava Krishi Rathna Prashasti". A grant of ` 10 lakh will be provided to his pratisthana.

Horticulture

57. Coconut farming is being done in an area of 4.71 lakh hectares, in the state; out of which 80% area is dependent on rain. ₹ 25 crore will be provided during this year for formulation of Coconut Crop Production Scheme to be implemented with 50% contribution from the farmers.

58. **Neera Processing Unit:** A Neera Processing Unit will be established at the Horticulture Farm at Thumbe in Bantwal taluka in Dakshina Kannada district under the joint partnership of Coconut Development Board and Central Food Technology Research Institute, Mysore.

59. Areca nut crop is grown in an area of 2.13 lakh hectares in Karnataka. Due to yellow leaf disease, around 10,400 hectares area has become affected in the recent years. A provision of ₹ 2 crore is made to control this disease.

60. An allocation of ₹ 60 crore has been made for development of the Horticulture University, Bagalkot and its associate colleges for providing teaching infrastructure such as buildings, student hostels and for research activities.

61. **Incentives for Floriculture:** There has been a lot of development in the floriculture industry in recent years and there is good demand at the international level for various flowers grown in the State. There are flower gardens in an area of 3,500 hectares in the organized sector in the State. In order to give encouragement, the rate charged per unit of electricity has been reduced to ₹ 2 per unit for their cold storage units, and VAT is exempted on sale of flowers. It is proposed to provide ` 10 crore to International Flower Auction Centre for establishing a special floriculture zone on the outskirts of Bangalore.

62. There is a need to reorganize Horticulture Department and the various organizations dealing with horticulture (example: Hopcoms, Horticulture Farms, etc.). In this regard it is proposed to prepare a plan, after examining the pros and cons, with the guidance of expert institutions and implement the plan

Sericulture Development

63. Sericulture in Karnataka has a history of 200 years. This is an agriculture-based cottage industry, creating employment opportunities for around 10 lakh people. A target has been set to increase silk production from 7500 to 8500 tonnes and increase the mulberry cultivation to an area of 2 lakh acres. Incentive will be given for chaki farming of bivoltine variety throughout the state, and

sericulture farming will be developed in cluster model especially in North Karnataka. Silk farming areas will be rejuvenated and encouraged through private partnership on a large scale. An amount of ` 10 crore will be utilized for all these activities.

Electricity to Agriculture

64. Free electricity supplied to about 17 lakh irrigation pump sets constitutes 35% of total electricity consumed in the state. In the absence of metres to measure this consumption, it is very difficult to measure the usage and bring about accountability in the energy sector. As electricity charges are increasing considerably and because of the need to measure actual electricity consumed by the farmers, it is necessary to introduce an effective energy measurement and accounting system.

65. In this regard the Government is taking the following measures:

i. **Niranthara Jyothi Scheme:** This scheme is being implemented in two phases in 126 talukas at a cost of ` 2,123 crore. In the first phase, uninterrupted power supply will be provided to 12,689 villages of 70 taluks at a cost of ₹ 1203 crore. The first phase will be completed by March 2011. With this scheme adequate electricity will be supplied to the village and cottage industry and quality power will be available for a specified period to the agriculture pumpsets. An amount of ₹ 500 crore is being provided in the budget.

ii. A sum of ₹ 100 crore is being provided for regularization of 1 lakh unauthorized pumpsets.

iii. **Energy-saving agricultural pumpsets:** Generally, since agricultural pumpsets are not energy efficient there is considerable loss of electricity. For effective use of water

and electricity, a model scheme has been formulated for implementation in Dodballapur under BESCOM and Mangalore and Udupi under MESCOM. This will be an experiment to reduce consumption of electricity by the pumps and increasing their efficiency. Under this scheme, efficient pumps will replace existing pumps. It is estimated that there will be a saving of 35% in consumption of electricity.

iv. The proposal for implementation of this model scheme by other distribution companies is before the Government. On an experimental basis it is planned that old pumpsets will be replaced by new pumpsets in association with Central Government and expert institutions, in a few taluks. The expenditure for this does not have to be borne by the farmers.

Agricultural Markets

66. An amount of ₹ 10 crore has been provided under the Rashtriya Krishi Vikasa Yojane for development of Agricultural Marketing Committees in Chinthamani, Srinivasapura, Athani, Chennapatna, Nagamangala and Jewargi. In order to bring about transparency in the procedures of the Agricultural Produce Marketing Committees, e-tendering will be adopted in sale of agricultural produce along with computerization of daily activities of the marketing committees through installation of management software. An amount of ₹ 5 crore has been earmarked for this purpose.

67. In Chamarajanagar and Tiptur Agricultural Produce Marketing Committees, coconut and copra produce processing units will be established at a cost of ₹ 4 crore per unit; for which ₹ 8 crore has been provided.

68. A fully equipped, large and modern vegetable wholesale market in Byatarayanapura on Bangalore - Bellary Road will be developed under public private partnership.

69. Lack of sufficient warehouses in the state is a major problem. In this direction, as a first step, the State Warehousing Corporation will be directed to construct 100 warehouses in 100 different taluks at a total cost of ₹ 100 crore including loan from NABARD. Financial assistance would be given to small and marginal farmers to avail of the facilities of Government warehouses for their produce.

Special Package for Sugarcane Development

70. An amount of ₹ 2.5 crore will be provided for development of Sugarcane Research Institute at Mandya and Belgaum.

71. An assistance of ₹ 15 crore will be given for the ailing MYSUGAR factory.

Animal Husbandry

72. **Epidemic Prevention Programme:** With the assistance of the Central Government, in 30 districts, on the lines of pulse polio, all livestock will be vaccinated twice a year. An amount of ₹ 5 crore will be provided for this. ₹ 2.5 crore will be given for prevention of PPR disease of sheep & goats.

73. **Strengthening of veterinary hospitals and clinics**: An amount of ₹ 18.70 crore will be spent over the next two years for strengthening building, expansion and modernization of 339 veterinary hospitals and 1941 veterinary clinics.

74. **Dhanavantri units for animal husbandry**: An amount of ₹ 20 crore will be given for purchasing 174 vehicles to provide emergency care to animals and to distribute medicines. There will be one such mobile unit for every taluk, which will be run on PPP basis on the model of 108 ambulance of the Health Department.

75. **Animal feed unit**: In order to meet the growing demand for animal feed, a unit in Shimoga district will be established at an estimated cost of ₹ 45 crore. An allocation of ₹ 25 crore has been made for this.

76. For establishing a mega diary in Mysore Government will facilitate KMF to mobilize the required capital.

77. **Development of Malnad Gidda breed:** A sum of ₹ 1 crore will be provided for establishment of Malnad Gidda Cattle Centre at Uppalli in Sagar taluk of Shimoga district, through Veterinary University in order to develop Malnad Gidda Cattle breed.

78. A report is already prepared for the restructuring of the State Animal Husbandry and Veterinary Services Department. To implement the recommendations made, a high power committee chaired by the Development Commissioner will be set up. Suitable steps will be taken to implement the recommendations of the committee by the end of May 2011.

79. A special scheme will be formulated for the conservation of 'Cow Wealth' of the state.

Fisheries

80. **Incentives for Fish farming:** There is an area of 9.90 lakh hectares of brackish/saline land which has been rendered unfit for agriculture. There is sufficient scope to take up pisciculture in this area. It is proposed to obtain financial assistance from the National Fisheries Development Board so as to provide 50% subsidy to such farmers, with State share of 30% and Board's share of 20%. It is proposed to take up construction of fish ponds in 2000 hectares this year by providing financial assistance of ₹ 50,000 per hectare. An amount of ₹ 10 crore will be provided for this.

81. **Construction of Fish Markets:** A scheme has been prepared to provide a well-equipped and a well organised market for

marketing fish in urban and rural areas of the state. An allocation of ₹ 5 crore is proposed this year, so that 50 new markets can be established, through Public Private Partnership with an assistance of ₹ 10 lakh per market from the State Government.

82. The present quantity of 85,000 kilo litres of tax free diesel for mechanised fishing is proposed to be enhanced to 1 lakh kilo litres. It is also proposed to continue the VAT exemption on ice sold to the fishermen.

83. Mathsyashraya Scheme: So far, an assistance of ₹ 40,000 per house was being given, for construction of houses for the houseless fishermen. Under this scheme 25,000 fishermen have been given assistance. This year the assistance per house will be increased to ₹ 60,000/-. It is proposed to construct 2,000 houses, for which an allocation of ₹ 9 crore will be made.

84. Construction of small fishing harbours: Fishermen are facing several problems due to lack of suitable harbours in coastal areas of the State. It is proposed to construct small harbours for fishermen in the coastal areas through partnership with organizations having such experience, An allocation of ₹ 100 crore will be made for this purpose.

Co-operation

85. Recommendations of the Vaidyanathan Committee on rehabilitation of co-operative credit institutions will be implemented. This will strengthen District Co-operative Credit Banks and other co-operative institutions. An assistance of ₹ 770 crore is being given by way of recapitalization. The State's share of ₹ 92 crore has been provided to 21 DCC Banks and 4,474 Primary Agriculture Co-operative Societies.

86. In order to solve financial problems of coffee growers in the State, the coffee debt relief package 2010 is being implemented.

An amount of ₹ 20 crore has been sanctioned to meet 50% to 75% of the financial implication of this package in the districts of Chikmagalur, Hassan and Kodagu.

87. The State Government has been providing loan at concessional rate to self help groups through co-operative institutions. During this financial year more than 20000 self help groups have been given a total loan of ₹ 212 crore at 4% rate of interest. An amount of ` 15 crore has been provided to continue this scheme in 2011-12.

88. Yeshaswini Scheme has been running successfully since 2002-03 and providing quality health care free of cost to the members of rural co-operatives. During this financial year more than 40000 members have been benefited from surgical procedures, utilizing ₹ 33 crore. An amount of ₹ 40 crore will be provided to continue this scheme during 2011-12.

89. State Government will meet the treatment expenses of the women from farmers' families who suffer from uterus ailments.

90. Family of the person killed in attacks by wild animals would be given a relief of ₹ 2 lakhs. Besides, the relief for crop loss caused by wild animals would be increased to ₹ 25,000.

Priority to development of professional skills and cottage industries in rural areas

91. There is need for providing appropriate training, guidance and financial assistance to establish cottage industries in rural areas. In this direction, to begin with, an assistance of ₹ 4 crore will be provided for market development and establishment of more units of Shri Dharmasthala Siri Rural Employment Institution. With this assistance, the institution will be able to establish ready garment units in rural areas of Haveri and Dharwad districts, expand market

facilities for rural products in ten cities of the state and facilitate supply of raw materials and finished goods to the rural industries.

92. While there is need to provide professional skill development training to the youths of rural areas and provide facilities to them for becoming entrepreneurs, an amount of ₹ 5 crore will be provided for establishment of a research and training centre in the name of Sri Deendayala Upadhyaya, who toiled in this field for several decades at the national level.

93. In the recent years, it has become difficult for the children of poor farmers, who inspite of their difficulties have studied and secured good marks, to obtain the required loans for higher education from commercial banks. Therefore, these children are unable to pursue higher education. Realising this problem the Government proposes to allocate ₹ 20 crore to provide interest free loans for children of poor farmers for pursuing higher education.

Land acquisition for housing schemes

94. Development of housing layouts in Bangalore city and other urban areas will be given priority. The land acquisition process is cumbersome and also results in hardships to the farmers of the State. In order to expedite the acquisition process and also to give a fair compensation to the farmer, land acquiring authorities like the BDA, KHB and other city development authorities would follow the 60:40 ratio and give 40% of the developed land to the land owner farmer as compensation for the acquired land. This will provide higher income to the farmers and also a share in the developed areas.

Hon'ble Speaker

Updating of land records

95. Citizens face various difficulties to update their land records from time to time. However, these problems have been addressed to some extent after implementation of Bhoomi scheme;

However problems still persist. In order to ensure easy availability and updating, it is proposed to take up the following steps.

i. To expedite the process of computerization of land records.

ii. To ensure that records pertaining to land acquisition, land grants, land reforms and inam abolition, and disputed mutation entries etc; are easily available it is proposed to scan all such records and index them. This work is likely to be completed by December 2011.

iii. It is proposed to develop a necessary system for automatic change of khata after land acquisition under Bhoomi.

iv. Software required for online capture of land transactions would be developed which would establish convergence among Bhoomi, Kaveri and Mojani schemes.

96. The existing regulations on land availability, sale, conversion and other processes are complex, leading to scope for middlemen's menace. For making more land available to the public and simplifying the regulations, it is proposed to bring suitable amendments to Sections 79A, 79B and 109 of the Land Reforms Act 1961. It is also proposed to amend the Land Revenue Act 1964 to make land easily available for all purposes. It will then be possible to convert land for various purposes within 3 months.

97. Government lands are valuable assets. Several steps have been taken through the task force to identify encroachment of these lands, by taking up measurements and to remove encroachments. It is important to protect these lands to maintain the natural drainage patterns, and for other public purposes. Such lands are denoted as phot kharab in Revenue records. All these lands will be identified,

measured and protected. Such lands would be released only in special cases.

98. Natural water-bodies like ponds, lakes etc., help in storage of water and also flood control. In order to protect these water-bodies, survey measurement will be done, and wherever required rejuvenation work will be taken up.

99. Our Government has decided to take bold steps for resolving land related disputes. Efforts will be made to dispose all pending phodi cases in rural areas within the next 3 years.

100. A sum of ` 20 crore will be provided for taking up re-survey of land holdings in two districts on a pilot basis, in collaboration with private organizations, through modern GIS technology.

Water Resources Development

101. **Water Revolution (Jalakranti):** The country's agriculture, horticulture and rural development depend on rejuvenation and management of water resources. This budget aims at optimum and effective utilization of the natural water resources so as to mitigate water scarcity in drought prone areas through "water revolution i.e. Jalakranti." In this context, the Government has declared the period from 2011 to 2020 as Irrigation Decade. I assure the people that all schemes towards effective water management will be completed in the next 10 years, thereby increasing the State's agricultural income and also achieving food security. I wish to reiterate that in the coming days irrigation will play an important role in the growth of State's economy.

102. **Krishna Award:** As per the award of the Krishna Water Dispute Tribunal –2, permission has been given to raise the height of Almatti dam to 524.25 meters. The Tribunal has awarded 911 TMC of water to Karnataka. Though we had demanded for additional 278

TMC of water, the Tribunal has awarded us 177 TMC of water. Our Government is committed to the fullest use of our share of water so as to benefit the farmers.

103. More emphasis will now be given to develop water storage capacity, water management and integrated water resources management systems. For the first time in the country, our State Government has prepared a proposal based on integrated water resource management in rivers and valleys, in consultation with the Asian Development Bank. In order to undertake reforms of irrigation sector, to develop a policy framework and to attract private investment in the coming days an agreement has been signed with the World Economic Forum's Water Resources Group 2030.

104. There is a need for establishment of a state-of-the-art design centre at the Water Resources Development Organisation. An amount of `10 crore will be provided for this purpose. For the first time in the country, LiDAR (Light Detection and Ranging) 3D survey technology will be used for survey of irrigation schemes and accurate and quick detection and estimation of siltation in canals and reservoirs.

105. **Telemetry:** For the first time in the country, telemetric devices were used successfully in the Ghataprabha Right bank canals. Action has been taken now to extend this to other canals. This scheme will be implemented in partnership with institutions having the expertise. An amount of ` 45 crore will be provided for this purpose.

106. **Rejuvenation of saline and brackish lands:** It is proposed to rejuvenate 1,12,000 hectares of saline and brackish lands in command areas of the major and medium irrigation schemes. For this purpose an assistance of ₹ 80 crore has been sought from NABARD and with an allocation of ₹ 20 crore from the State

Government this scheme will be implemented in association with expert institutions.

107. **National Remote Sensing Agency (NRSA):** A survey with the help of NRSA, regarding diversion of water from west flowing rivers to supply drinking water to Bangalore Urban and Rural, Tumkur, Chickballapur, Kolar and Chitradurga Districts has already been completed. Action will be taken in phases to provide drinking water through pipelines, while ensuring at the same time that there is no damage to the environment. In the first phase, water would be made available from Yettinahole canal. ₹ 200 crore has been provided for implementing this scheme through institutes with requisite expertise.

108. An amount of ₹ 674 crore has been provided for completing 30 major and medium irrigation schemes during 2011-12 (including Bairanpada lift irrigation scheme of Harihar and Kachavi scheme of Sorab Taluka).

109. An amount of ₹ 25 crore will be provided for the construction of Bekkodi canal in Sagar taluk.

110. All approvals have been given to the Dandawati irrigation project in Sorab Taluk. The project will be implemented accordingly.

111. It is necessary to increase the capacity of water user co-operative societies across the State. Financial assistance will be provided as an incentive to such societies based on efficiency of water rate collection. A sum of ₹ 20 crore will be utilised for this purpose based on the model proposed by the ADB.

112. **Advanced Centre for Integrated Management of Water Resources:** A special unit needs to be established for adoption of integrated water resource management principles in state's water resources sector. For this purpose, financial assistance would be available from the Asian Development Bank. An advanced centre for

integrated management of water resources will be set up by revamping and merging the Water and Land Management Institute (WALMI) at Dharwad, the Karnataka Engineering Research Centre at Mysore and the Central Mechanical Organisation located at Bangalore. ₹ 50 crore will be utilised to develop this into a model institute.

113. In order to arrest the flow of water into the sea and enable utilisation of water stored by the farmers, ₹ 30 crore will be provided for construction of check dams and vented dams and a sum of ₹ 15 crore for constructing foot bridges in coastal districts of Uttar Kannada, Udupi and Dakshina Kannada.

114. An amount of ₹ 5 crore will be provided for construction of foot bridges in coastal districts.

115. There are about 36000 tanks in the state. Since maintenance and repair of these tanks is supervised by different departments, their rejuvenation becomes difficult. The condition of 23,000 tanks under Zilla Panchayats is also not satisfactory. The water storage capacity of these tanks has decreased due to siltation and lack of rejuvenation for the past several decades. Ground water level has also gone down in the numerous wells existing in the catchments and other areas in the vicinity of these natural tanks. There is a need to desilt these tanks, and to repair the main canals and sluice gates. It is also necessary to recharge the dried up tanks from surplus water of nearby rivers and dams. ₹ 1,000 crore will be given to Jala Samvardhan Yojana Sangha, Minor Irrigation Department, Water Resources Department and RD and PR Department, for this scheme which will be operationalised from April 2011.

116. A scheme for development of various tanks and filling water from the Kabini river in Chamarajanagar district will be taken up with an investment of ` 100 crore.

117. A total of ₹ 7,800 crore has been provided for the irrigation sector. This allocation is 50% more than that made during the year 2010-11. Depending on the progress of implementation, more funds will be provided.

118. For effective implementation of the schemes and programmes of the Agriculture and allied sectors including irrigation, it is proposed to spend a sum of ` 17,857 crore in the 2011-12 Agriculture Budget.A separate Agriculture Budget Volume containing details of allocations made to various schemes is placed alongwith the Annual Financial Statement.

ಜಿತ್ತಿದ ಹೊಲದಲ್ಲಿ ಮೊಳೆತಾವೊ ಜೀಜ
ಕಣ್ಣ ತೆರೆದಾವಣ್ಣ ಹಸುರಿನ ತೇಜ
ಹೊಲದ ಅಟ್ಟಣೆಯಲ್ಲಿ ನಾನೇ ರಾಜ
ಬಲ್ಲರು ಯಾರಣ್ಣ ಈ ಎಲ್ಲ ಮೋಜ ?

- ಡಾ: ಜಿ.ಎಸ್.ಶಿವರುದ್ರಪ್ಪ

(The seeds have sprouted in the sown field. The green light from the seedlings has just come out. The lush green fields make the farmer feel as if he is the king. This pleasure cannot be felt by anyone else.)

119. In this poem, national poet Dr: G.S. Shivarudrappa has captured the happiness of the farmer who is overwhelmed on seeing the green fields. The poem reflects the farmers' confidence and faith in good crop and remunerative price. I wish that such days are not far for the farmers. This special Agricultural Budget also wishes the same.

Hon'ble Speaker and legislator friends

120. Our concern for the well being of our farmer brethren and their overall development is contained in this Agriculture Budget. I solicit your co-operation, partnership and support for this unique effort made for the first time in the country.

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Budget 2011-2012

Part-II General

Hon'ble Speaker,

1. Now I take up Part II which includes other sectors and taxation proposals for the year.

Economic Conditions

2. The Budget 2010-11 was presented against a backdrop of an improving economy which had been severely affected by the global economic slowdown. Although economic indicators had started showing some improvement, the economy was yet to regain its high growth potential. Further, there were concerns about high unemployment levels, growing fiscal deficits, credit recession to productive sectors and reversal of capital flows.

3. In the last one year the economy has rebounded well to a high growth path of close to 9 per cent per annum. The downside risks to growth have certainly receded. The private consumption expenditure and gross capital formation are also showing strong acceleration, which is reflected in high growth of tax collections. The economic condition appears to be stable in the short to medium term.

4. However, unacceptably high general inflation of over 8 per cent and food inflation of over 13 per cent have severely affected the common man, eroding the incomes significantly and thereby depriving him of the benefits of growth. Inflation with high upside risks is the biggest challenge for the economy today. I would urge the Government of India to take specific steps in the Union Budget to

counter inflation. In addition, it should also be ensured that the monetary policy measures do not adversely affect prices and flow of credit to farmers and weaker sections of society.

5. For mitigating hardship of inflation faced by the poor, the State Government has suggested to the Government of India to expand coverage and enhancement of social security pensions under the National Social Assistance Programme.

State's Economy

6. The State's economy is gaining momentum and expected to grow at 8.2 per cent in real terms in Gross State Domestic Product during 2010-11 as compared to the previous year. The economic growth was 3.7 per cent in 2008-09 due to the economic slowdown, and improved to 5.2 per cent in 2009-10. The growth has been revived considerably during 2010-11. This is due to increased production of food grains and higher contribution from manufacturing and service sectors. The State Government has continued its focused efforts to achieve expectations of the XI Plan.

7. Gross State Domestic Product at current prices is expected to grow at 16 per cent and reach Rs.3,97,938 crore in 2010-11 over Rs.3,43,010 crore in 2009-10. The growth rates of agriculture and allied, industry and services sectors in nominal terms are likely to be 14.7, 10.9 and 19.2 per cent respectively. In real terms, these are likely to be 5.9, 6.7, and 9.7 per cent respectively, with a cumulative growth of 8.2%.

8. The per capita income i.e., per capita Net State Domestic Product was Rs.51,858 in 2009-10. I am happy to share with this House that it is expected to grow at a rate of 15.7% to reach Rs. 60,000 in 2010-11.

State's Fiscal Position

9. I assure this august House that the fiscal position of the Government of Karnataka is sound. The State Government is committed to improve tax administration, and maximize developmental expenditure while maintaining sustainability of public debt.

10. **Information on Fiscal Position**: I take this opportunity to dispel doubts raised by some of the Hon'ble Members about fiscal health of the State Government. Perhaps their apprehensions are due to a lack of full information. I propose that fiscal position of the Government will be disclosed henceforth on a quarterly basis on the website of Finance Department **www.kar.nic.in/finance**, so that the wrong perception arising due to a lack of timely information can be corrected.

11. The State Government has been successfully making one of the highest tax efforts in the country. This fact has been acknowledged by several organizations including the Reserve Bank of India. As per the latest estimates, the tax effort represented by the tax collection as a percentage of GSDP which was 8.9 per cent during 2009-10, is likely to reach 9.6 per cent during 2010-11. This performance has been possible as a result of better enforcement, focus on collection efficiency, and continuous review and monitoring.

12. The Thirteenth Finance Commission has laid down a road map of reducing the debt to GSDP ratio for Karnataka to 25.2 per cent by the year 2014-15. Hon'ble Members may recall that the consolidated debt of the State Government was very high at 35.4 per cent of GSDP in 2003-04. At the end of 2009-10 the consolidated

debt has been brought down to 25.8 per cent. The State is well advanced on the road map suggested by the Thirteenth Finance Commission.

13. Another important indicator of financial position of the State Government is the ratio of interest payments to revenue receipts. The Twelfth Finance Commission had suggested a ceiling of 15 per cent. As per a recent report of the Comptroller and Auditor General on the State Finances, this ratio at 10.6 per cent in 2009-10 was well below the ceiling suggested by the Finance Commission. In 2010-11, this ratio is estimated to be 9.6 per cent, once again within the sustainability limit.

14. The State has an enviable track record of maintaining revenue surplus since 2006-07. Even during the difficult years of 2008-09 and 2009-10, which had affected revenue collections of the State Government in line with the Central and other State Governments, the revenue surplus situation was maintained.

15. The fiscal deficit has been kept below 3 per cent norm since 2006-07. Only in the year 2009-10, a higher fiscal deficit amounting to 3.2 per cent was allowed on the advice of the Central Government to implement the economic stimulus measures. The Government is fully committed to maintain revenue surplus and contain the fiscal deficit within the norms of the Karnataka Fiscal Responsibility Act in future also.

16. A more detailed analysis of the fiscal position has been provided to the House in the Medium Term Fiscal Plan 2011-15.

Fiscal Performance during 2010-11

17. Tax collections have increased by 28.9 per cent during the first ten months of the current fiscal year to Rs.30,474 crore from Rs.23,649 crore in the similar period in 2009-10. Total receipts including devolution and grants from the Government of India and borrowings are higher by 19 per cent.

18. The non-plan expenditure has been well regulated to increase by 7.7 per cent only in the first ten months. As a result, a larger plan spending has been ensured. The plan expenditure has increased by 16.1 per cent to Rs.16,499 crore in the first ten months of 2010-11 from Rs.14,211 crore in the similar period in 2009-10. I am confident that the overall annual plan targets will be achieved.

Sectoral Outlays

19. This budget facilitates a total expenditure of Rs..85,319 crore on various development activities and regulatory functions of the Government, which is an increase of 21.7 per cent over the budget of Rs.70,063 crore in 2010-11. Major sector-wise allocations are shown at Annexure 1.

State Plan Outlay

20. The State Plan outlay for 2011-12 has been kept at Rs.38,070 crore. This will be an increase of 23% from the outlay for the current financial year. With the proposed plan outlay, the overall plan achievement during the Eleventh Five Year Plan period is expected to be around 112% of the originally estimated plan size in real terms.

21. The State has been achieving an average growth rate of 20 per cent per annum in its State Plan performance during the last 3

years. I am confident to maintain this track record. It may also be noted that the per capita annual state plan expenditure in Karnataka which was Rs.2,149 in 2004-05, would be Rs.6,362 in 2011-12.

22. In 2006-07 when I presented my first budget, the per capita plan expenditure was Rs.3,232. After five years, when I am presenting my sixth budget for the year 2011-12, the State's per capita plan expenditure has doubled. As has been the achievement in the last few years, it may be noted that among all the states, our per capita plan expenditure is the highest. When compared to the per capita plan expenditure of Rs.3,186 of all the states in the country in 2009-10, our State's achievement is Rs.4,602.

Infrastructure

23. Infrastructure has to play the decisive role for the State to realize its growth potential. The Government has identified gaps in various sectors of infrastructure, such as urban transport, railways, ports, airports, energy, agri-infrastructure, and industrial infrastructure. Ninety-one projects with a total investment outlay of Rs.67,792 crore are being pursued through Public Private Partnership mode. The Government is following a strategy for infrastructure development that is sustainable, both environmentally and economically, and is equitable and inclusive. The following are some of the major initiatives.

24. The State Government is contributing 50 per cent of the cost of 16 railway projects of both new lines and gauge conversion. During the past three years, the following railway projects in the State have been completed for which the State Government has provided its share of Rs.487 crore.

- Sholapur - Gadag
- Kottur - Harihara
- Shimoga – Talaguppa

25. During 2011-12, an outlay of Rs.478 crore has been provided to meet the State Government share, mainly for ongoing rail works as well as newly sanctioned works.

26. The State Government is also sharing the cost of RUB/ROB projects for which an outlay of Rs.30 crore has been provided.

27. The airports at Bellary, Gulbarga, Shimoga, Bijapur and Hassan are being undertaken through PPP mode. Land acquisition for expansion of Hubli airport is in progress and is expected to be completed in the year 2011-12. An amount of Rs.120 crore has been provided for development of various airports.

28. An amount of Rs.15 crore would be provided in the year 2011-12 for development of Mangalore Airport.

29. The Asian Development Bank has approved financing of Sustainable Coastal Protection and Management Project at a total cost of Rs.941 crore. It is proposed to commence Phase-I involving anti sea erosion works at a cost of Rs.350 crore at Ullal during 2011-12. Such a huge project has not been taken up in the State earlier.

30. An outer harbour will be built on Kerala model at a cost of Rs.45 crore at Marvanthe in Kundapur Taluk.

Energy

31. Energy consumption in the State has increased from 36,118 million units in 2009-10 to 39,774 million units in 2010-11. In the current year the peak electricity consumption per day has increased to

over 160 million units. For ensuring adequate supply to the consumers, the ESCOMs have purchased 31.2 million units from private producers on short term basis. The State Government plans to increase the annual per capita availability of electricity from 680 units to 1000 units within a three-year period.

32. The first 600 MW unit of Udupi Power Corporation Ltd became operational in 2010. Work orders have been issued for the power projects at Yeramus, Edlapura and Bellary with a cumulative installed capacity of 3150 MW. The State Government has requested the Central Government to provide early coal linkages for these plants. Action has been taken to build power plants at Kudigi, Jewargi, and in Chattisgarh with a total installed capacity of 6900 MW. Land acquisition for Kudigi and Jewargi projects is in progress. The distribution companies have signed agreements to purchase power from Kudigi Power Project.

33. In respect of the Chattisgarh power plant of 1600 MW capacity, final notification has already been issued for a acquiring 1260 acres of land. An amount of Rs.141 crore has been paid for this.

34. The Central Government has not been providing coal linkages for new projects to the State of Karnataka. Therefore, to enable the State to produce 7340 MW of power, I request the Central Government to consider all our pending requests for providing coal linkages., The State Government is also exploring the possibility of importing coal and partnering in Joint Ventures to invest in equity in coal mines of other States as well as other countries so as to ensure availability of power needed for the State. Steps have been taken to purchase power from private power producers to meet shortages.

35. The Government has also initiated steps to facilitate GAIL in laying an LNG pipeline from Dabhol to Bidadi. KSIIDC and GAIL have agreed to form a joint venture company to develop a city gas distribution network for Bangalore.

36. An outlay of Rs.500 crore as equity support to the ESCOMs is being made for separation of the electricity feeders under Niranthara Jyothi project. This project is scheduled to be completed by September 2012.

37. The total outlay of the energy sector has been increased from Rs.6,245 crore in 2010-11 to Rs.8,523 crore in 2011-12.

Roads

38. The State has a major challenge to develop and maintain a road network of adequate capacity and quality. During the past five years, 28,059 km of road renewal and 8900 km of road upgradation & widening has been completed. Projects for development of 4000 km of roads are in progress.

39. The State Government has recently obtained a loan approval from the Asian Development Bank to develop 600 km of state highways at an estimate of Rs.1330 crore in the following 9 packages.

- Magadi-Koratagere.
- Pavagada-AP Border.
- Gubbi-Mandya.
- Jagalur NH 13-SH 19
- Padubidri - Karkala.
- Davanagere - Birur.
- Shelvadi - Mundargi.

- Mudgal - Gangawati.
- Soundatti - Kamatagi.

40. The World Bank has also conveyed its concurrence to finance development of 269 km of state highways in the following 5 packages at an estimate of Rs.657 crore. The work for all these packages is likely to commence in 2011-12.

- Hoskote - Chintmani Bypass.
- Haveri - Tadas.
- Dharwad - Saundatti.
- Tinthani - Kalmala.
- Chowdapura - Gulbarga.

41. Under Public Private Partnership, the following four roads are being taken up at an estimate of Rs.1,523 crore.

- Malavalli - Pavagada.
- Mudhol - Nippani.
- Shimoga - Hangal.
- Managuli - Devapur.

42. 17 new road works of 702 km and 20 new bridges will be taken up through KRDCL at an estimate of Rs.1692 crore.

43. Rs.100 crore would be provided for development of ring road in Shimoga.

44. An amount of Rs.35 crore will be provided to develop the roads from Shimoga Airport to Sringeri and up to Rambapuri.

45. An amount of Rs.50 crore will be provided for development of roads in Kodagu District.

46. A special institution will be set up to mobilize resources for comprehensive development of roads in the state.

Urban Infrastructure

47. There is a need to give special attention to development, operation and maintenance of urban infrastructure in view of the rapid increase in urban population. The required government funding has to be supplemented with private capital, user charges, and funding from financial institutions. Currently four major projects financed by the external funding agencies at a total investment of Rs.7,500 crore are being implemented. These projects include investment of around Rs. 4,500 crore in Bangalore and Rs.2,000 crore in cities and towns of north Karnataka. Funds are also being raised by the KUIDFC through tax free municipal bonds and direct borrowing from the market.

48. **Mukhya Mantri Nagarothana Yojane:** Under this scheme Rs.1,013 crore has been utilized in the past three years by the urban local bodies to develop urban infrastructure. The development package of Rs.100 crore given to each municipal corporation in 2008-09 has been largely implemented. Tumkur city has also been given a similar package in 2010-11. It is expected that the packages given to other urban local bodies in 2009-10 involving investment of Rs.1,400 crore over a three year period will be completed during 2011-12. The outlay for this scheme has been increased to Rs.750 crore in 2011-12.

49. In the towns of Chikkodi and Channapatna, drinking water supply schemes would be taken up.

50. In order to provide a comfortable, convenient, fast and affordable mode of transport to the citizens, a combination of mass transit systems needs to be established. KSRTC has been operating an extensive transport system efficiently in Mysore city. The

economic and technical feasibility of establishing Bus Rapid Transit Systems in the cities of Hubli Dharwad and Mysore at a total investment of more than Rs.500 crore would be examined and necessary action would be taken.

51. **Urban Transport Fund:** A state-level Urban Transport Fund will be constituted with an annual contribution of Rs.60 crore to fund the urban transport initiatives. Annual accrual to this fund will come through Rs.20 crore each from the budgetary sources, a cess on local taxes collected by Urban Local Bodies and a cess on Motor Vehicle Taxes.

52. **Development of Bangalore City:** With a population of nearly 8 million, Bangalore is one of the fastest growing cities in Asia. Urbanisation has brought with it problems of traffic and congestion. It remains the endeavour of the government to improve transport infrastructure in Bangalore and provide a better quality of life.

53. **Bangalore Metro:** Phase-I of the prestigious Bangalore Metro Project with a length of 42.3 kms would be completed by June 2013. As promised, Reach 1 from Byappanahalli to MG Road would be opened for commercial operations on April 4th this year. The State has already released more than Rs.2600 crore as financial support to this project. Phase-II of Bangalore Metro of 6 lines covering a distance of about 71 kms has been approved in principle by the Government. For completion of Phase-I Metro, Rs.683 crore has been provided during 2011-12.

54. DPR is being prepared for Mono Rail or Light Rail Transport system for two corridors in Bangalore city, with 31 km

from Hebbal to J.P.Nagar and 9 km Peripheral Ring Road to Toll Gate along Magadi Road.

55. The Comprehensive Traffic and Transportation Plan for Bangalore has identified the need to take up commuter rail system within the city. The Government has sought permission of the Ministry of Railways for undertaking commuter rail service from Bangalore to Devanahalli, Anekal, Malur, Ramnagara, Nelamangala and beyond, so that persons living on the outskirts of Bangalore would be able to access the Central Business District of Bangalore within a short time. The State would provide its contribution.

56. BMTC has been operating a successful and efficient public transport system, which has few parallels in the country. However, the travel speed due to limited road infrastructure is a major challenge. For providing a sustainable and alternate transport solution to the residents of Bangalore, I am happy to announce that a new project of BRTS is being considered from Hebbal to Central Silk Board at a total cost of Rs.550 crore. The Government will provide Rs.25 crore in 2011-12 to initiate this project.

57. BWSSB has been implementing the Cauvery Water Supply Scheme Stage IV Phase-II at a total project cost of Rs.3,384 crore. On completion, 500 MLD water would be made available to more than 12 lakh people by March 2012. It would cover additional 7 CMCs, 1 TMC and 110 villages. An amount of Rs.1,150 crore has been provided in the budget for the BWSSB to complete this project.

58. Our government would provide Rs.350 crore to Bruhat Bangalore Mahanagara Palike during 2011-12 to initiate the following projects:

- Elevated road from Minerva Circle to Hudson Circle via J.C Road;
- Flyovers and underpass on Chord road, Fountain Circle, Kanakapura – Outer Ring Road junction and Kittur Rani Chennamma Circle;
- 10 vehicle parking lots;
- Infrastructure for solid waste disposal.

59. Bangalore Development Authority would take up a number of development works in 2011-12 at an estimate of Rs.750 crore. Kempegowda Layout, Arkavathy Layout & Dr.Shivarama Karanth Layouts would be formed and sites and houses would be distributed. The Government has given approval to form Shri D.Devaraj Urs Layout, Shri Nijalingappa Layout and Shri K.C.Reddy Layout. 30,000 houses will be built and distributed to economically weaker sections. 29 lakes will be rejuvenated and developed. Along with this, 12 parks and entertainment centres will be developed. In 8 acres of area, a sculpture park would be built, which would be the first of its kind in the country.

60. Though Bangalore is the IT/BT capital and also known as the Silicon Valley of India, it does not have adequate facilities for organizing international conferences. It has therefore been proposed to establish an International Convention Centre in collaboration with KIADB near the Bangalore Airport in the next 15 months with an investment of Rs.150 crore.

61. A Business Park spread over 230 acres is being taken up at Devanahalli through PPP mode with an investment of more than Rs.5,000 crore.

62. In view of the increasing population and habitations in Bangalore, four modern super speciality hospitals in four directions of the city will be built in public private partnership.

63. A Project Monitoring Unit will be established in the BBMP office for preparing plans and designs, and also to improve efficiency and transparency.

64. Thus for the over all development of Bangalore, an amount of about Rs.4770 crore would be spent through various sources. This would help in providing adequate infrastructure for the growth and development of the city.

Rural Development

65. The outlay for the rural development is being increased to Rs.4,385 crore in this budget. This outlay will complement grants from the Government of India for various schemes for drinking water, employment generation, etc. As a result, the total outlay for rural development in the coming year is likely to exceed Rs.8,500 crore. Allocations of Rs.1000 crore for rural roads and Rs.1,250 crore for drinking water have been proposed in 2011-12.

66. Suvarna Gramodaya Yojane is being implemented successfully for improving infrastructure facilities in villages. Under this scheme so far, an amount of Rs.1061 crore has been spent. In a total of 1,121 villages road and drain improvement works have been completed. During the year 2010-11, an amount of Rs.250 crore has already been spent. The scheme will be continued in 2011-12 and an amount of Rs.400 crore will be provided.

67. Under PMGSY in 2010-11, 1,294 kms of roads have been completed, utilizing Rs.655 crore.

68. In order to uniformly develop rural roads of the State, the Government has decided to develop 20 kms of roads in each of the State's 189 Assembly constituencies.

69. A one time grant of Rs.1 crore would be provided to establish a Panchayat Raj Chair in the name of Abdul Nazeer Sab at the Centre for Multi Disciplinary Research, Dharwad,

70. **Asare:** It is a matter of great satisfaction for me to inform about the success achieved under the Asare programme of rehabilitating flood-affected villages. Under this programme 5,610 acres of land has been acquired for rehabilitation of 297 villages. Out of a total of 57,675 houses, construction of 47,626 houses is in progress. Out of this, 15,800 houses have been completed. A total of 32,400 houses would be completed by March 2011. The remaining houses would be completed by May 2011. An amount of Rs.170 crore will be spent for providing infrastructure to these villages, of which Rs.50 crore has already been released.

71. On account of reserving 50% of seats in all Panchayat Raj Institutions, women can now play an important role in decision making in the coming days. For the Adhyaksha, Upadhyaksha and Members of Zilla Pachayats the honorarium would be increased to Rs 3000, Rs 2250 and Rs.1500 respectively. A similar increase will be made in respect of Taluk Panchayat Adhyaksha, Upadhyaksha and Members. Their honorarium would be increased to Rs.2250, Rs.1500 & Rs.750 respectively.

Third State Finance Commission:

72. The financial recommendations of the Third State Finance Commission have been considered while formulating this budget. I am happy to announce that the devolution of funds to the local bodies

will be increased to 42% of the Non Loan Net Own Revenue Receipts (NLNORR) of the State. This devolution will be inclusive of the provisions for salary and other expenses of the Panchayat Raj Institutions and the Urban Local Bodies. Considering the overall development needs of the State, the target of 42% devolution will be achieved in a phased manner over the award period.

73. The share of the urban local bodies is being increased from the current 8% to 8.5% of NLNORR during 2011-12. The grant being given to Grama Panchayats is being increased from Rs.6 lakh to Rs.8 lakh per annum. Every year an untied grant of Rs.1 crore per Taluk Panchayat would be provided.

Area Devolopment

74.Government has been providing funds under the Special Development Plan based on the report of Dr.Nanjundappa Committee. In the last three years a total of Rs.4,605 crore has been spent. A provision of Rs.2,975 crore will be made in 2011-12.

75. Keeping regional disparities of the State in mind, the Government has been giving special emphasis to development of specific areas also. During 2010-11, Rs.63 crores has been provided; this provision is being increased to Rs.114 crores in 2011-12. Out of this, Hyderabad Karnataka Area Development Board will be provided Rs.45 crore, Malnad Area Development Board will be provided Rs.34 crore, Karnataka Border Area Development Authority would be provided Rs.15 crores. Maidan Area Development Board will be provided Rs.10 crore and Karavali Area Development Authority will be provided Rs.10 crore.

76. The Government has released an amount of Rs.794 crore for the Legislators' Constituency Development Programme during

the last three years. A provision of Rs.300 crore has been made for this purpose in 2011-12.

77. A special grant of Rs.50 crore each would be provided to the newly formed districts of Yadgir and Chickballapur for taking up infrastructure development works.

78.An amount of Rs.10 crore will be provided for development of road to Anjanapura Reservoir in Shimoga and improvement of garden and creation of boating facility.

Primary and Secondary education

79. An outlay of Rs.900 crore has been made for Sarva Shiksha Abhiyan in 2011-12. The State Government has provided Rs.394 crore to supplement the central grants for this programme.

80. In view of the popularity and good outcomes of Nali-Kali, this scheme has been extended to cover students of 3rd Standard also. 7 lakh children in the State will be benefiting from this scheme. 2.65 lakh teachers have been given residential training under the scheme.

81. Under the Rastriya Madhyamika Shikshana Yojana started in 2010-11, 74 model schools have been established. State Government will provide 25% of its share to this scheme. A sum of Rs. 50 crore would be provided in the year 2011-12.

82. Under the popular, effective and useful bicycle scheme, during 2009-10, 5.32 lakh students have been given bicycles. In the coming financial year about 12 lakh students would be provided bicycles pertaining to the period 2010-11 and 2011-12. Rs.250 crore will be provided during the year 2011-12 for this.

83. At present free text books are being provided to the students of 1st to 8th Class studying in both government and aided

schools. During the year 2011-12 free text books will be supplied to students of 9th and 10th Class also.

84. People from rural areas have complained that income certificate is being insisted upon at the time of admitting their children to Government primary schools. Therefore from the year 2011-12 onwards this condition of income certificate would be dispensed with.

85. A new scheme for adult literacy called Sakshara Bharath has been started. This programme is being implemented in 20 districts including 11 districts of north Karnataka. In this programme a total of 40 lakh non-literates including females of 15 years and above in rural areas would benefit. Priority is accorded to scheduled castes, schedule tribes, minorities and other backward classes. A provision of Rs.5 crore as State share is made for 2011-12.

86. Since the activities of Bharat Scouts and Guides are conducted at the high school level, this subject will be transferred to the Department of Primary and Secondary Education. An amount of Rs.4 crore will be given for constructing Scouts Bhavan in Bangalore and to provide uniform of scouts and guides for the poor children.

87. The total outlay for the primary and secondary education has been increased from Rs.8,830 crore in 2010-11 to Rs. 10,281 crore in 2011-12.

Higher Education

88. A post graduate centre at Kushalanagar under Mangalore University would be set up during 2011-12, for which Rs.5 crore has been provided. For imparting specialized training in Music and Art,

Music University, Janapada University and Lalithakala University have also been established. In 2011-12, Rs.10 crore would be provided for their development.

89. **Karnataka Knowledge Commission**: Headed by the eminent space scientist Dr.K.Kasturirangan who is also a Member of the Planning Commission, the Karnataka Knowledge Commission is working with a mandate to transform Karnataka into a vibrant knowledge society. The Commission has given several recommendations in the focus areas of literacy and school education, higher education, vocational education, humanities and management, health services and knowledge networks. An amount of Rs.10 crore will be provided for implementing the projects recommended by the Knowledge Commission.

90. The outlay for Higher Education has been enhanced from Rs.1,676 crore in 2010-11 to Rs.2,002 crore in 2011-12.

Health and Family Welfare

91. The Government has assigned a very high importance to provision of universal access to affordable and quality health care. Innovative schemes like Prasoothi Araiyke and Thayi Bhagya have been instrumental in increasing institutional deliveries from 73% in 2007-08 to 93.3% in 2010-11. During 2010-11 more than 2 lakh Madilu kits have been distributed to pregnant women from BPL category. Over 27,945 BPL category women have received free treatment under Thayi Bhagya. Under the School Health programme, in the first three quarters of 2010-11, 84.54 lakh students received free medical check up.

92. I am happy to share with you that as a result of our programmes, the Infant Mortality Rate in the State has come down

from 45 in 2008 to 41 per 1000 live births in 2009. The Maternal Mortality Rate too has decreased from 228 to 213 for 1 lakh live births. In 2011-12 an allocation of Rs.86 crore is provided for continuing these schemes.

93. As announced in the last Budget Speech, the Vajpayee Arogyashree Yojane was launched in Gulbarga Division to provide medical treatment coverage to BPL families. This scheme has already been extended to cover Belgaum division. In 13 districts of Gulbarga and Belgaum divisions, so far 5690 beneficiaries have availed treatment at a cost of Rs.33.49 crore. A provision of Rs.40 crore has been made for this scheme during 2011-12.

94. Over the years, we have focused on improving health infrastructure in the State. Out of 2310 PHCs, 988 are running on 24X7 basis. A total of 149 First Referral Units, 95 Mobile Health Units and 37 Citizen Help Desks in Hospitals have been functioning.

95. The scheme of Arogya Kavacha (108) has been very successful in the last two years in providing life-support even to the remote areas of Karnataka. As many as 9.35 lakh patients have been given timely medical care and treatment. Out of these, 42% were maternity related cases.

96. Under the Arogyabandhu scheme of the Department of Health & Family Welfare, a total of 56 Primary Health Centres in the State are already being managed by various organizations under PPP. This scheme will be further extended to all urban and rural areas of this state, giving priority to the experienced and specialized institutions so that medical assistance can be provided to the people.

97. I propose to set apart a sum of Rs.2 crore for treatment of opportunistic infections of all the HIV infected persons in the high

prevalent districts of Bagalkot, Bijapur and Belgaum and all the HIV infected children in the State. Health and Family Welfare Department will formulate the necessary scheme.

98. The outlay for Health and Family Welfare has been increased from Rs. 1,935 crore in 2010-11 to Rs.2,428 crore in 2011-12.

Medical Education

99. The total annual intake of undergraduate courses in four government medical colleges at Bangalore, Mysore, Bellary and Hubli have been increased from 500 to 800 seats. Simultaneously proposal is also being made to the Medical Council of India for increasing the number of PG seats. With these additional seats, along with the 600 MBBS seats in the newly started six government medical colleges, the availability of qualified medical doctors will increase considerably.

100. An amount of Rs.5 crore will be provided to upgrade the Rajiv Gandhi Chest Institute as a national institute. To provide specialised health care services to senior citizens and to take up research activities a 'Geriatric Institute' at an estimate of Rs.5 crore would be established in the premises of Rajiv Gandhi Chest Institute. Karnataka Institute of Diabetology is developing as a unique centre for comprehensive treatment and care of diabetic people. An amount of Rs 5 crore will be provided for strengthening the institute. For upgradation of Dharwad Mental Health and Neuro Sciences Institute, Rs 5 crore would be provided.

101. Hrudaya Sanjeevani Scheme is being implemented successfully by Sri Jayadeva Institute of Cardiovascular Sciences and Research. During the current year, 992 poor patients have already

been treated. An amount of Rs.5 crore will be provided to continue this scheme.

102. An amount of Rs.25 crore will be provided to the Karnataka Institute of Medical Sciences, Hubli.

103. **Ayush:** World Ayurveda Conference was held successfully this year in Bangalore. With a view to encourage study of Ayurveda, it is proposed to start an Ayurveda college in Shimoga in 2011-12. An amount of Rs.10 crore will be provided for this.

104. During 2010-11, more than 45,000 patients were treated in Ayush hospitals and clinics. In all district hospitals Ayush units would be started. For this purpose Rs.5 crore would be provided. In Ayush Hospitals and in other places, Wellness Centres would be established on Public Private Partnership basis.

105. In order to provide preventive, holistic and lifestyle management practices, a new scheme called 'Ayush Grama' would be taken up on PPP model in one Gram Panchayat each in 10 taluks on pilot basis.

106. The outlay for the Medical Education has been increased from Rs. 723 crore in 2010-11 to Rs.826 crore in 2011-12.

Social Welfare

107. Inclusive growth requires that all the social groups have equitable access to services provided by the State and get ample opportunity for economic and social mobility. Through targeted beneficiary oriented schemes, my Government is trying to achieve the goal of inclusive growth.

108. There has been a considerable increase in the allocations for SCP and TSP during the last two years. An amount of Rs.2,917

crore and Rs.1,144 crore during 2009-10 and Rs.3,359 crore and Rs.1,344 crore during 2010-11 were provided for SCP and TSP respectively. The allocation has been increased to Rs.4,633 crore and Rs.1,867 crore during 2011-12.

109. The pooled funds provided for SCP and TSP during 2009-10 was Rs.600 crore, which was increased to Rs.800 crore during 2010-11. The allocation of pooled funds compared to 2010-11 has been increased to Rs.1000 crore during 2011-12.

110. Under the scheme for short term credit, at present a sum of Rs.5,000 is being given as loan and subsidy. This will be increased to Rs.10,000 (Rs.5,000 loan and Rs.5,000 subsidy). An amount of Rs.10 crore will be provided for this scheme.

111. Financial assistance of Rs.10,000 being given for self employment will be increased to Rs.25,000. An amount of Rs.12 crore is provided for this purpose.

112. People living in Scheduled Caste and Scheduled Tribe colonies have been experiencing difficulty because of a lack of basic infrastructure facilities. In order to develop these colonies, an amount of Rs.300 crore will be provided at the rate of Rs.1 crore for every such SC/ST colony.

113. During 2009-10 financial assistance was provided to 24.26 lakh beneficiaries including Scholarships to Schedule castes. Financial assistance is provided to 28.02 lakh beneficiaries during 2010-11. During 2009-10 financial assistance was provided to 10.78 lakh beneficiaries including scholarships to Scheduled Tribes. Financial assistance has been provided to 9.09 lakh beneficiaries during 2010-11.

114. There are 1763 hostels for the Scheduled Caste students, with facility for 1.61 lakh students and 308 hostels for the Scheduled Tribes with facility for 27,000 students.

115. Food allowance was increased to Rs.650 for the pre-matric students and to Rs.750 for post-matric students during 2010-11. This will be increased from Rs.650 to Rs.750 for pre-matric students and from Rs.750 to Rs.850 for post-matric students during 2011-12.

116. Annual Scholarship for the students, up to VII standard who are not residing in hostels will be increased from Rs.75 to Rs.250 and for those who are studying in VIII to X standards from Rs.100 to 500. This will benefit 25 lakh students.

117. An amount of Rs.30 crore is provided for giving Training in Nursing, Para Medical, ITI and other Technical skills to the Scheduled Castes, Scheduled Tribes and Backward Classes boys and girls. 30,000 students would be benefited from this.

118. During the last two years 15 Morarji Desai Residential Schools and 50 Hostels have been completed for Scheduled Castes and Scheduled Tribes. So far an amount of Rs.142 crore has been released during this year for construction of Morarji Desai Residential Schools and hostels. An amount of Rs.150 crore will be provided during 2011-12 for construction of Morarji Desai Residential Schools and hostels which have earlier been sanctioned.

119. **Development of Backward Classes:** An amount of Rs.606 crore was provided during 2010-11 for the Development of Backward Classes, and this allocation has been increased to Rs.760 crore during 2011-12.

120. An amount of Rs.5 crore will be provided for establishing a 'Gurupeetha' for Ganiga Community. For Valkimi Bhavans Rs.5 crore will be provided. Tigalara community would be provided Rs.1 crore. Apart from this an amount of Rs.25 crore will be provided for the development of different communities.

121. A comprehensive development plan will be taken up for the benefit of Nomadic and Semi Nomadic Tribes. An amount of Rs.5 crore is provided for this purpose.

122. 11 Model Hostels were started in 11 districts during the year 2010-11. It is proposed to establish 19 more Model Hostels in the remaining 19 districts. Rs.38 crore will be provided for this purpose.

123. An amount of Rs.5 crore is provided for giving training to candidates from the Backward Classes in Nursing, Para-Medical and other courses.

124. **Minority Welfare**: The Government is committed to the welfare of the Minorities in the State. An amount of Rs.97 crore was provided during 2007-08 for development of minorities. Action has been taken to increase the allocation gradually after our government came to power. During 2010-11 an amount of Rs.207 crore was provided. During 2011-12, Rs.326 crore is provided for development of minorities.

125. Apart from providing Scholarships and hostel facilities to the students from the minority community students, loans and subsidy are also being provided for the development programmes such as purchase of land, providing irrigation facilities, starting sustainable business etc. During the current year an amount of Rs.60

crore is being spent for providing assistance to more than 32,000 beneficiaries.

126. Government has also released more than Rs.16 crore for construction and renovation of Wakf Board buildings. The required land has already been acquired for the construction of Haj mahal in Bangalore. Rs.5 crore will be provided for construction of the building.

127. An amount of Rs.50 crore has been provided in the Budget for taking up development schemes related to the Christian community. Such an allocation has been made for the first time in the State Budget.

Women and Child Development

128. Under Bhagyalakshmi Scheme so far 11,39,697 girl children of our state have been identified and 8,95,133 bonds have been distributed at an expenditure of Rs.1140 crore. Rs.400 crore will be provided during 2011-12 for distribution of bonds to the remaining 2,44,564 beneficiaries.

129. Sarees have been distributed to the mothers of the beneficiaries under Bhagyalakshmi Scheme. Free health check up was organized for the girl children. Since this programme has been successful it will be continued in 2011-12 also.

130. Anganawadi Workers and Assistants are performing a vital role in the important development schemes of mother and child health care and supply of nutrition. Considering their contribution, the honorarium of Anganawadi workers and helpers was increased to Rs.2500, and Rs.1250 respectively during the year 2009-10. A Contributory Pension System, has been introduced for them during

the year 2010-11, Anganawadi workers and helpers in the age group of 18 and 55 years will be brought under this system. Government will provide a matching monthly contribution of Rs.150 for every anganwadi worker and Rs.75 for every assistant. For those who are above 55 years of age, Government will give a total amount of Rs.50,000 to the Anganwadi workers and Rs.30,000 to the Anganwadi helpers at the time of their retirement.

131. I propose to further increase the honorarium of Anganawadi workers from Rs.2,500 to Rs.3,000 and that of helpers from Rs.1,250 to Rs.1,500.

132. An amount of Rs.100 crore has been provided to complete the incomplete Anganawadi buildings and for maintenance works.

133. An amount of Rs.2 crore will be provided for forming 60,000 New Stree Shakthi Groups in all the 176 taluks with a membership of 12 lakh women and for providing revolving fund, kits and training.

134. Rs.5 Crore has been provided for the Women Commission.

135. Rs.2 crore would be provided to State Women Development Corporation for providing short term loan on a daily or weekly basis through established service organizations to women street vendors. In the first phase, this programme would be started in the cities of Mysore and Shimoga.

136. For the handicapped persons Samarthanam institute's school and hostel buildings. Rs 1 crore would be provided as a grant.

Housing

137. Providing houses to the economically weaker sections of the Society is one of the priorities of my government. During the last three years Rajiv Gandhi Rural Housing Corporation Ltd., has built 9,07,630 houses for BPL families, Schedule Castes and Schedule Tribes. 3,32,972 houses were constructed in the early part of 2009-10 itself. The Corporation has targeted to build 3 lakh houses during 2011-12, and out of this 2 lakh houses will be constructed in the rural areas.

138. A scientific survey will be conducted in the State for identifying siteless families. On the basis of this survey, sites will be provided to such families over a period of time.

139. **Nanna Mane Nanna Swathu:** While lakhs of houses have been built and distributed to the poor, the ownership of those houses has not yet been transferred. This has hindered the process of availing institutional finance to further upgrade such houses. It has therefore been decided to launch a scheme "Nanna Mane Nanna Swathu" in which ownership certificates will be given to the eligible beneficiaries. This scheme is expected to benefit 20 lakh families.

140. Availability of land has been a major issue while implementing housing schemes. It is therefore proposed to make a significant allocation of Rs.67 crore for land acquisition for housing projects.

141. Karnataka Housing Board will take up construction of a large number of affordable houses in all urban areas of the State from its own resources and also through public private partnership. Approval will be accorded expeditiously for such proposals and all co-operation will be provided by the Government.

142. **Industrial Areas Housing Scheme:** 30,000 houses and sheds will be built for the people working in industrial areas specially for weaker sections of the labour community and staff, skilled workers, artisans, and also 10,000 houses for the weighmen and hamalis working in agricultural markets. This will be taken up in association with the Karnataka Small Scale Industries Development Corporation.

143. **Slum development**: Under the Basic Services for Urban Poor (BSUP) programme, in the cities of Bangalore and Mysore, a total of 7383 houses have been completed at a cost of Rs.198 crore. Under Integrated Housing & Slum Development Programme, 7378 houses were completed at a cost of Rs.179 crores. Under Rajiv Awas Yojana, slum mapping has already commenced. It is targeted to make Karnataka a slum free State by 2017. An allocation of Rs.50 crore will be made during the year 2011-12 to provide infrastructure facilities in slums.

Public Distribution System

144. In the public distribution system, more than 86 lakh families have been issued B.P.L. cards and they are being provided wheat and rice at the rate of Rs.3 per kg. About 1.36 lakh tons of rice and 44,000 tons of wheat is being distributed through public distribution system every month. An amount of Rs.950 crore has been provided by the State Government as subsidy during 2010-11.

145. Several complaints have been received that many of the BPL families have not been able to obtain ration cards, while a number of ineligible families have obtained the same. A special campaign has been taken up to identify such bogus ration cards and cancel them. Ration cards will be distributed to eligible beneficiaries.

146. It is proposed to modernize the Food and Civil Supplies Department by computerizing all operations relating to lifting, storage and distribution of food grains. All taluk level offices and godowns, will be provided with computers and internet facilities. The Food and Civil Supplies Corporation would provide computers to 100 out of the 193 godowns this year. Electronic weighbridges would be installed in 10 godowns this year at a cost of Rs.10 crore.

Commerce and Industries

147. The recently concluded Global Investors Meet was a phenomenal success. The Government signed an unprecedented 389 MoUs in 12 sectors with an expected investment of Rs.3.93 lakh crore and employment of 7.11 lakh persons. Subsequently another 368 new proposals were approved in the last six months with an investment of Rs 91,810 crore to generate employment to 2 lakh persons. Implementation of 215 projects with an investment of Rs 2.83 lakh crores has begun. 187 civil works have already commenced. Karnataka has also been considered as the most favoured destination for investment amongst 20 major states of India as per the recent ASSOCHAM investment assessment report.

148. In order to encourage entrepreneurship and also to provide more opportunities of employment, it is proposed to reserve some area in every Industrial Estate for development of small scale industries.

149. Rs.62 crore would be provided for establishment of new industrial clusters.

150. To mitigate the problems faced by weavers and to increase their income level, a new scheme of providing power-looms would be initiated this year. In the first phase it is proposed to provide 1500

weavers with 2 power-looms each. 50% grant would be provided to purchase power loom valued at Rs.1 lakh each. Rs.15 cr would be provided for this purpose.

151. Mysore Paper Mills has been one of the prestigious public sector undertakings of the State. For the past several years, the industrial health of this unit has been going down on account of accumulated losses. A comprehensive proposal to revive and revitalize Mysore Paper Mills is under preparation. An amount of Rs.100 crore required for this purpose would be mobilized.

152. There are 20 Government Tools and Training Centres (GTTCs) across the State. This year two new GTTCs would be established at Bijapur and Nelamanagala.

Mining

153. In order to protect the State's mineral wealth from being illegally exported, the State Government took a bold decision to ban export of iron-ore from the state. A clear message has been sent to the regulatory machinery that the government is determined to stop all kinds of illegal mining. The efforts made by the State government have not only been upheld by the Courts, but also set the agenda in the discussions of the National Development Council on protecting national mineral wealth for value addition. The fact that many steel manufacturing companies have already presented their plans to establish steel plants in the state reflects the Government's foresight on industrial development in Karnataka.

154. "Karnataka (Prevention of Illegal Mining, Transportation and Storage of Minerals) Rules, 2011" have been framed to prevent illegal mining. Government has also initiated steps to computerize the entire mineral administration. The total revenue earned in this

financial year has already crossed Rs.900 crore and is likely to reach Rs.1100 crore which will be about 25% more than the last year. This has been achieved through strict enforcement, computerization and continuous monitoring.

155. **New Sand Policy**: Regulation of misuse of sand involves issues on extraction of sand, its sustainability of use and availability to the public at reasonable rates in spite of the increasing demand. For this purpose, the subject of sand mining has been entrusted to the Public Works Department. This will enable availability of sand to the common man at affordable prices and at the same time help in maintaining ecological balance.

Labour Welfare, Employment and Training

156. The Rasthtriya Swasthya Bima Yojana has been implemented in five pilot districts of Bangalore Rural, Belgaum, Dakshina Kannada, Mysore and Shimoga. The Scheme provides medical benefits for a family of five upto Rs 30,000 per annum. 1.61 lakh smart cards have been issued to BPL beneficiaries in these five districts. An outlay of Rs.30 crore has been provided for this scheme.

157. Karnataka is one among the very few states to implement NPS Lite Swavalamban Scheme for unorganized workers in private hotels, labourers, drivers of bus, taxi, lorry and auto rickshaws, workers in workshops,etc. In 2011-12, 4 lakh unorganized workers are expected to enroll under this scheme. An amount of Rs.25 crore will be provided for the scheme.

158. Karnataka is one of the few states to constitute a Skill Commission. 10 Skill and Job fairs and 54 mini job fairs were organized during 2010-11 in which more than 3.5 lakh youth have

participated. Skill training has been provided for 94,071 candidates and 80,395 have been provided employment.

159. To implement Suvarna Vastra Neethi, Rs.25 Crore will be provided in the year 2011-12.There is a large requirement for skilled persons in the textile and apparel sector. Providing skill training to the youth including women and other disadvantaged sections of society will enable them to get gainful employment in the apparel sector. In this regard, Apparel Training and Design Centre has been imparting training to the youth in the State. In order to supplement the efforts of ATDCs, the State would sponsor candidates for the various training courses.

160. To generate employment opportunities in hospitals, nursing homes and diagnostic centres, medicial electronics trade would be introduced.

161. Auto Mechanic courses will be introduced in the ITIs.

162. Two Multi Skill Development Centers will be set up in Gulbarga and Bangalore at a cost of Rs.65 crore for which the State government will provide its share of Rs.32 crore.

163. There is no financial security for the families of private vehicle drivers such as those driving autorickshaws, bus, maxicab, lorry, taxi etc, when they meet with accident while driving. A new insurance scheme will be introduced for such vehicle drivers.

Tourism

164. Our State is blessed with natural resources, ancient monuments, temples and art & culture. In 2010-11, Karnataka Tourism was adjudged as the most visible Indian tourism destination at over 8 leading international travel trade fairs. To take up new

infrastructure works, an amount of Rs.50 crore will be provided during 2011-12.

165. In 2010-11, the Department took up eco tourism project at Jogimatti in Chitradurga district, beautification of Sadanakeri at Dharwad and creation of tourist facilities at Malpe, Marawante, St. Mary's Island and Gokarna.

166. A theme park is proposed to be set up in Hampi to commemorate 500 years of coronation of Sri Krishna Devaraya of Vijayanagar Empire and to revive glory of Vijayanagar Empire. An amount of Rs.100 crore will be provided for this purpose. Apart from this, an amount of Rs.10 crores will be provided for the development of the city of Hampi.

167. An allocation of Rs.250 Crore will be made during the year 2011-12 for Tourism.

Kannada and Culture

168. We will continue with our commitment to protect and support the Kannada language. The Department of Kannada and Culture has undertaken various activities last year. These include taking up maintenance of Gangubai Hanagal Music School at Hubli, construction of Mahatma Gandhi Smaraka at Kengeri, construction of Dr Pandit Putturaj Gawai Smaraka and activities of Rangayana.

169. To draw the attention of international tourists, a statue of Mother Bhuvaneshwari, a source of pride and love for Kannadigas, would be installed at an appropriate place in Bangalore. An amount of Rs.25 crores would be provided for this purpose.

170. Apart from this, 25 crore will be provided for development activities of various Kannada and Culture organisations.

171. Rs.10 crore will be provided for celebrating Mysore Dasara as a State festival.

172. State Government will provide Rs.25 crore for establishing Basava International Centre. In addition to this, Rs.1 crore each will be provided to set up Kannada Study Chairs in Voorburg University, Heidelburg University, Munich University and Vienna University.

173. In order to promote Art and Culture in the State, Kala Bhavan will be established in the name of Nada Prabhu Kempegowda at Bangalore. For this purpose, Rs.10 crore will be provided.

174. For celebrating Basava Jayanthi, Kanaka Jayanthi, Ambedkar Jayanthi and Valmiki Jayanthi through the Government at all district and taluk levels, Rs.50,000 and 25,000 respectively will be provided.

175. Rs.5 crore will be provided for construction of a monument in memory of the 77th All India Kannada Sahithya Sammelana held at Bangalore.

176. In the name of Kuvempu, a Darshana Bhavan, museum and 'Sahithigala Nenapina angala' smaraka would be constructed. Government would initially provide Rs.5 crore for this purpose.

177. Struggling Kannada writers find it difficult to publish their writings because of financial constraints. An amount of Rs.5 crore will be provided through Kannada Sahithya Parishath during 2011-12 to publish their works.

178. Karnataka Janapada Parishad is doing an excellent job of conservation and encouragement of folk arts. Recognising this achievement, an amount of Rs.1 crore will be given during 2011-12.

179. The central office of Janapada University will be established at Shiggaon.

180. In memory of the Vishwa Kannada Sammelana to be held at Belgaum in March 2011, Rs.5 crore will be provided for construction of a Glass House there.

181. During 2011-12, an amount of Rs.5 Crore will be provided for the development of Konkani language and culture.

182. To develop Sanskrit Wikipedia, Rs 1 crore would be provided as a grant to Sanskrit Bharathi.

183. An amount of Rs.3 crore will be provided for World Renewal Spiritual Trust, Hubli.

184. An amount of Rs.3 crore will be provided for installation of Basava statue in London.

185. Rs.5 crore will be provided for taking up research activities through Sri S.Nijalingappa memorial.

186. An amount of Rs.1 crore will be provided for construction of an auditorium at Tiptur in memory of Sri T.R.Narasimharaju, noted comedian of Kannada film industry

187. As part of the Golden Jubilee celebrations of the New Delhi Kannada Education Trust, Rs.1 crore would be provided for the multipurpose educational complex to be constructed and Rs.50 lakhs will be provided to strengthen transport facilities by procuring two new buses for use of children of the Kannadigas studying there.

188. Rs.1 crore will be provided to the Delhi Karnataka Sangha.

189. An Indian Heritage Park in PPP model will be established at a cost of Rs.100 crore. The State Government will provide Rs.10 crore as its share during 2011-12.

190. An amount of Rs.1 crore will be provided for construction of a well equipped auditorium in Bellary through Rangathorana Institute.

191. An amount of Rs.2 crore will be provided for development of educational institutions started by Sri Rajashekar Murthy in Chamarajanagar.

Information

192. Rs.5 crore will be provided for renovation of the Kanteerva Studio.

193. The government will provide Rs.5 crore for an International Film Festival to be held at Bangalore.

194. To encourage good quality Kannada films, the number of films getting financial assistance from the Government will be increased from 50 to 75 per annum.

Youth Services & Sports

195. The State's sportspersons have performed remarkably well in the recently concluded Commonwealth Games in New Delhi and Asian Games in China, and have won a good number of medals including gold medals, bringing fame to our State. I take this opportunity to congratulate them on behalf of the people of the State. Sportspersons from the State who are selected to participate in national sports events will be provided with a special training allowance of Rs.100 per day while attending training camps. For providing necessary modern training to the talented athletes of the State and to enable them to participate in the national and international sports events, an amount of Rs.10 crore will be provided during 2011-12.

196. Rs.25 lakh will be given for the Shivaganga Yoga Kendra in Shimoga for Yoga training and Rs.25 lakh will be provided for Nisarga Trust in Sirsi.

197. Action will be taken for construction of Swimming Pools wherever necessary on Public Private Partnership basis in the districts through Urban Development Department and Local Bodies. For this purpose, Rs.10 crore will be provided by the State Government during 2011-12.

198. An amount of Rs.5 crore will be provided for construction of a well-equipped indoor stadium at Virajpet in Kodagu District.

199. An indoor and outdoor sports complex of international standard will be constructed at Vidyanagar in Shimoga District and an amount of Rs.10 crore will be provided for this.

200. An amount of Rs.5 crore will be provided during the current year for construction of a Sports Complex at Bellary.

Information Technology and Biotechnology

201. Karnataka is a frontrunner in the field of IT, BT and ST. The State attracts the highest amount of venture capital funding for biotechnology in India. To create an industry friendly environment and policy framework for the overall growth and development of the sector. The State has announced Semi-Conductor Policy, Bio-Tech Policy, ICT Policy and Electronic and Hardware Policy. In an attempt to provide employment to the rural youth, 32 rural BPO centers have so far been sanctioned.

202. Information Technology Investment Region (ITIR) is being set up on a PPP mode near BIAL, to promote investments in IT/ITES and Electronic Hardware Manufacturing. It is envisaged to

provide excellent infrastructure and investor friendly policy environment in the ITIR. Preliminary notification for acquisition of 2072 acres of land has been issued by KIADB.

203. Acknowledging the contribution of the International Institute of Information Technology, Bangalore in the field of Information Technology, 50 acres of land would be provided to this institution for setting up an under-graduate campus in Dharwad.

204. The Master Control Facility Building of Karnataka State Natural Disaster Monitoring Centre is under progress & will be completed as scheduled.

205. A grant of Rs.5 crore will be provided to assist 40 Higher educational institutions to strengthen their S&T infrastructure.

206. A grant of Rs.2 crore will be provided for the Karnataka Science and Technology Centres.

207. **Priority to Science and Technology in Chitradruga District:** The Honorable members would appreciate the efforts that our Government has put into developing Challakere taluka of Chitradurga into a Science and Technology Resource Hub. We have facilitated installation of the DRDO's projects in 4250 acres of land as well as establishing the second campus of IISc by granting land of 1500 acres. Land has also been provided to Bhabha Atomic Research Centre and Indian Space Research Organisation for taking up their projects. 400 acres have been provided to KSSIDC to develop backward linkage industries and Rs 50 crore to Karnataka Housing Board to develop a modern housing project 'Vedavati Nagar'. In this area various organizations would invest around Rs.5000 crore.

e-Governance

208. The Government has taken up projects like e-procurement, HRMS, KSWAN, Bangalore-One and Nemmadi Rural Telecenter. The state has established 63 Bangalore One centres offering 45 citizen friendly services under a single roof. On the model of Bangalore One, 35 Karnataka One centres have been established in 9 tier two cities across the State. The e-procurement project has brought a total of 90 departments/organizations under its fold. Because of e-procurement procedures, there has been an increase in competition and tender premium has also come down.

209. The ambitious AADHAR (UID) project to give Unique Identification Numbers to all the residents of the State has been implemented in the two Pilot Districts of Mysore and Tumkur. Our State stands first in the country in the implementation of this scheme. 8 other districts will also get covered by 1st March, 2011. As on date 14 lakh enrolments in the State have taken place.

210. A comprehensive e-Governance programme will be started in the taluka offices of Shimoga and Shikaripura for providing better services to the public.

211. An amount of Rs.40 crores will be provided for all the programmes connected with e-Governance.

Revenue

212. Government is providing financial assistance to 39.75 lakh families under Social Security Schemes such as Sandhya Suraksha Yojana, National Old Age Pension Scheme, Destitute Widow Pension Scheme and Disability Pension Scheme. In order to streamline the system of disbursement, steps have been taken to

deliver the social security assistance through electronic credit system. For the various social security schemes Rs. 1,742 crore is provided for in 2011-12.

213. The Revenue Department is taking up new initiatives like Scanning of Revenue Records, Computerized Land Acquisition Process, Tatkal Mutation and Urban Property Ownership Records Project.

214. For construction of district offices complex buildings, Rs.30 crore is provided. Similarly, for construction of Mini Vidhan Soudhas in taluks, Rs.25 crore will be provided.

215. There are 10,450 Gram Sahayaks working in village establishments. With effect from 1st April 2011, the Government would increase their honorarium from Rs. 3000 a month to Rs. 3500 a month.

216. The State Government has reserved Rs 60 crore for providing burial ground in rural areas wherever necessary and also for modern electric crematoriums in urban areas.

217. While my government has made substantial progress in area of Land Record Management, still many a time transactions are registered on properties by people who are not the owners as per Record of Rights. This leads to increasing civil disputes. Hence, a system will be put in place to ensure registration of transaction only by the owners of the properties as per RTC's or UPOR records with valid pre-mutation sketches. This system will be implemented gradually.

218. **Suvarna Soudha**: The Suvarna Soudha project at Belgaum is being implemented at a fast pace, and it is expected that it will be

completed soon. The Government has already released Rs. 212 crore over the past two years. An amount of Rs.138 crore will be provided in 2011-12 so as to complete the ongoing works.

Muzarai

219. Rs. 20 crore is allocated for providing infrastructural and stay facilities at 446 temples.

220. Rs.10 crore will be provided for integrated development of Melukote piligrimage centre.

221. Rs.1 crore is provided for improvements to Arameri Kalancheri Mutt in Virajpet Taluk of Kodagu District.

222. An amount of Rs.1 crore will be provided for renovation of Hasanamba Temple at Hassan City and Rs.1 crore for renovation of Siddeswara Temple situated in Hasanamba Temple.

223. Rs.1 crore would be provided to the renovation works of Chennaveera Shivayogigala Punyashrama in Basavakalyan Taluk of Bidar district.

Home

224. The law and order situation in the State is being managed effectively. Maintenance of law and order is an essential requirement for the growth and development of the State. Construction of 31 police stations is under progress during 2010-11. Action has been taken to establish a new commissionerate in Mangalore. 1035 posts of ASI's have been created for the beat system in police stations throughout the State. Karnataka State Industrial Security Force (KSISF) with a strength of 1060 Officers/personnel has been constituted under the control of the Police Department.

225. The Armed Reserve Police Training Centre at Meenahalli in Bellary District necessary provision will be completed in 2011-12.

226. Rs.25 crore would be provided during the year 2011-12 for construction of new police stations and completion of the police stations which are under construction.

227. **Prisons**: Under the modernization fund, Rs.8 crore would be provided for purchase of security equipment like Cellphone jammers, CCTV & IP cameras, X-Ray baggage and body scanners for the 8 Central Prisons.

228. **Sainik Welfare**: Financial assistance will be given for training of candidates from all over the State to enable them to get selected in the recruitment rallies conducted by the armed forces recruitment agencies.

Law

229. The State is committed to providing infrastructure facilities to the judicairy. An amount of Rs.35 crore was provided during the year 2010-11 for improving judicial infrastructure. This will be increased to Rs.75 crore in the year 2011-12. The State Government would provide the required grants for this purpose in future also.

230. An amount of Rs.1 crore is allocated for providing xerox machines for every Bar Association.

231. Rs.2 crore will be given for the construction of Bar Council Building in Bangalore. An amount of Rs.1 crore will be provided for the construction of Advocates Association building in Bangalore.

232. Rs.1 crore will be provided for the Vigneswara Law College building at Marthur, Gulbarga.

Transport

233. In the year 2010-11, the Transport Department had undertaken various customer friendly services. Accordingly, 25 lakhs driving licences and registration certificates are being issued in the form of smart cards. Apart from this, arrangements have been made for issuing national permits through internet for about 50,000 goods vehicles. It is proposed to adopt high level technology for providing additional services to the customers for payment of fees and taxes directly online.

234. In view of the scarcity of drivers in the State, HTV Drivers Training Schools will be established at Bangalore and Dharwad under PPP mode for producing good quality drivers and to minimize road accidents. An amount of Rs.5 crore will be provided for this purpose.

Personnel and Administrative Reforms

235. In the all round development of the State, the government servants play an important role. The last pay revision was provided from April 2006 onwards. The Government servant's pay is being revised once every six to seven years. A Pay Committee would be constituted for considering the government servants' request.

236. Every year, the State Government is implementing various plan schemes. But there is no specified institutional mechanism for effective monitoring and evaluation of these schemes. To overcome this deficiency, a Programme Evaluation Unit will be established in the Planning Department during 2011-12.

TAX PROPOSALS

COMMERCIAL TAXES

237. As mentioned earlier, in the current year there has been a very healthy growth in the revenue from the State's Own Taxes. This has been made possible by an almost unprecedented growth in revenue from Commercial Taxes which form a major portion of our tax revenue. This growth could be attributed to the higher growth in the economy, the earnest efforts of the departmental officers in collecting revenue and the complementary role of the trade and industry.

238. We have taken a series of initiatives in the current year to facilitate compliance to tax laws. As announced last year, provisions have been made for electronic submission of returns and furnishing of information and also for payment of taxes online. The trade and industry have responded wholeheartedly to these reform measures and I would like to thank them for their support and co-operation. I intend to consolidate these initiatives in the coming year. In this direction, I propose to bring in provisions enabling electronic filing of applications for registration and furnishing of information under various commercial tax laws. I expect the trade and industry would welcome these also. As regards Goods and Services Tax (GST) our stand has been that the fiscal autonomy of the States should not be compromised.

VALUE ADDED TAX

239. I have continued the tradition of having constant dialogue with trade and industry and have examined their suggestions for simplification of tax laws and rules as well as prevention of trade diversion. Keeping in view, their representations and interests of the

common man and the farmers and also in the interest of the State, I propose the following reliefs and reform measures under Value Added Tax.

(1) Tax exemption on paddy, rice, wheat, pulses and products of rice and wheat will be continued for one more year from April, 2011.

(2) Coconut (excluding copra) will be exempted from tax.

(3) Tax on barbed wire will be reduced from 13.5 per cent to 5 per cent.

(4) De-oiled rice bran will be exempted from tax.

(5) The price limit fixed for school bags for the benefit of reduced tax of 5 per cent will be increased from Rs. 200 to Rs. 500.

(6) Tax on all kitchen utensils will be reduced from 13.5 per cent to 5 per cent.

(7) Tax on caps will be reduced from 13.5 per cent to 5 per cent.

(8) Tax on leasing of feature films and sale of copy rights relating to feature films will be exempted.

(9) The benefit of refund of tax paid on purchases will also be extended to multilateral financial institutions like the Asian Development Bank.

(10) The period of validity of stay orders of the Appellate Joint Commissioners regarding disputed tax will be increased from 120 days to 240 days.

(11) The time limit for taking up assessment and re-assessment will be reduced from 5 years to 4 years.

(12) The turnover limit for compulsory audit of accounts of dealers will be increased from 60 lakh rupees to 1 Crore rupees.

(13) The provision requiring contractors to file copies of individual contracts will be abolished.

(14) The penalty for clandestine transport of goods taxable at low rates will be increased.

(15) The rate of interest for delay in payment of tax will be increased from 15 per cent per annum to 18 per cent per annum.

240. I propose to align the VAT rate on declared goods with the maximum rate specified on such goods under the Central Sales Tax Act. Additional Resource Mobilization Measures under Value Added Tax.

Additional Resource Mobilization through VAT

241. In order to meet our increasing developmental expenditure, I have always insisted on improving our tax collection efforts rather than increasing tax rates or imposing new taxes. But, because of various development schemes which I propose to take up, some additional resources are necessary. Any tax increase should be only on those who can afford to pay such increased tax. Accordingly, I propose to take certain measures to raise additional resources that are required for the general benefit of the State. I propose to increase,

VAT on jewellery and articles of gold and other noble metals, precious and semi-precious stones from 1 per cent to 2 per cent.

VAT rate on goods currently taxable at 13.5 per cent to 14 per cent.

Additional Resource Mobilization Measure under Betting Tax

242. I propose to increase the composition amount payable in respect of totalisator tax by Bangalore Turf Club from 4 per cent to 8 per cent.

243. From above additional resource mobilisation measures, I propose to mobilize a sum of about Rs.500 Crores.

Entertainments Tax – Relief

244. I propose to exempt distributors of feature films from registration.

Luxury Tax – Relief

245. I propose to provide for payment of composition amounts in lieu to regular tax by home-stay units.

Consequential Amendments

246. The above measures necessitate amendments to the provisions of respective tax enactments. These amendments together with other amendments for rationalization will be placed before the house for consideration and approval.

EXCISE

247. For the year 2010-2011, I had set a target of Rs 7500 crores without any increase in the rates of taxes. I am happy to announce that the Department would surpass this target by over Rs 700 crores and the likely revenue for the year 2010-11 would be Rs 8200 crores. The Karasamadhana Scheme-3 proposed during 2010-11 is upto 31.03.2011 and over Rs 16 crores arrears is likely to be recovered.

248. I propose to increase the rates of Additional Excise Duty by 10 per cent to 20 per cent across all the 17 slabs. I also propose to increase the Declare Price slabs by Rs. 25 across all the 17 slabs as per the Annexure -2. With the increase in the rates of Additional Excise duty and strict enforcement measures, a revenue growth of about 12 per cent over the year 2010-11 is expected and a revenue target of Rs 9200 crore is proposed for the year 2011-12.

249. In order to effectively tackle the problems of illicit distillation, duplicate liquor etc., it is proposed to modernise the Department by providing Wireless, GPS, fire arms and modern vehicles. Computerisation upto the Range level (Taluk) would also be completed. A Technical Committee would look into the issues like transit wastage, maturation loss, mechanical application of Excise adhesive labels, production of alchohol out of Sugar Beet, Jaggery, etc.

Stamps and Registration

250. With the economy picking up, the revenues from stamp duty and registration fee have shown a positive trend in the year 2010-11. In the year 2010-11, revenue of Rs. 3700 crores is expected as against the revenue of Rs.2,818 crores realised during the year 2009-10.

251. In the year 2011-12, the department would focus on increasing collection efficiency while at the same time ensuring that the tax collection system is made more transparent and taxpayer friendly. For streamlining the procedures, to plug the leakage in revenue and to enhance the revenue collections the following measures are being proposed.

252. I propose to give relief in stamp duty and registration fee payable on documents executed in connection with:

- the Tourism Policy of the state;
- the non-agricultural loans advanced to the joint liability groups by the scheduled banks and other financial institutions approved in this behalf;
- the allotment of developed lands to the farmers or the purchase of lands by the farmers out of the compensation amount paid to them, when their lands are acquired for public purposes.

253. I propose to exempt the stamp duty of Rs. 10 payable on the documents presented before the notary public for attestation.

254. I propose to reduce the stamp duty from 1 per cent to 0.1 per cent, subject to a maximum of Rs. 20,000 payable on agreement for sale, wherein there is no delivery of possession of property. When a reference is made in such agreement for sale, regarding Power of Attorney given to the purchaser authorizing him to sell the property, then such agreement will be considered as Agreement for Sale wherein the possession of property is deemed to have been delivered and accordingly stamp duty will be levied at 6 per cent (conveyance rate).

255. In order to improve the tax compliance and mobilise additional resources, I intend to take the following measures.

256. The prevailing superfluous and ambiguous provisions relating to Joint Development Agreement (JDA) and Power of Attorney (POA) for Joint Development, in the Karnataka Stamp Act will be omitted.

257. The stamp duty will be reduced from 3 per cent to 2 per cent in respect of the transfer of property and the stamp duty will be increased from 0.7 per cent to 1 per cent on the transfer of shares, involved in the process of merger and demerger of companies.

258. Payment of consolidated stamp duty on brokers' notes, insurance policy bonds and receipts will be provided.

259. A fixed stamp duty of Rs. 50 will be levied on Powers of Attorney executed by principals or clients in favour of agents or brokers for operating trading and demat accounts in respect of capital market issues and other related issues.

260. A fixed stamp duty of Rs.1000 will be levied on the following:

- for trust constituted exclusively for the public, religious and charitable purposes;
- for trust constituted for the purpose of management and custody of the properties and where there is no transfer or disposition of property in any way.

261. Stamp duty will be levied at 6 per cent on trusts, other than public, religious and charitable trust, wherein there is a transfer or disposition of property in any of the following ways:

- from the owner of the property to a trust,
- from one trust to another trust or trustee or beneficiary,
- from trustee to trust or trustee or beneficiary.

262. From the aforementioned proposals, an additional revenue of Rs.300 crores is expected to be realised.

263. In order to bring the above proposals into effect and to further improve the quality of services rendered by the Department of

Stamps and Registration, the relevant Acts and rules, will be amended comprehensively.

264. The changes proposed are detailed in Annexure – 3.

MOTOR VEHICLE TAX:

265. During the year 2010-11 the revenue collection is estimated to reach Rs. 2400 crores as against the collection of Rs. 2032 crores during the year 2009-10. During the year 2011-12 Rs. 2800 crores estimated to be collected. It is proposed to allocate a sum of Rs. 20 crores every year for Urban Transport Fund announced ealrier, to be collected by raising the cess from 10 per cent to 11 per cent (as shown in Annexure - 4)

Additional Resource Mobilisation

266. With revision of various tax rates and procedures it is expected to generate Rs.1,020 Crore additional resources.

Amendment to Karnataka Fiscal Responsibility Act

267. Hon'ble Members may recall that the State Government had taken Economic Stimulus measures in view of the economic slow down during the year 2008. On advice from the Government of India, this august House has permitted higher fiscal deficit of 3.5% during 2008-09 and 4% in 2009-10 by suitable amendment to Karnataka Fiscal Responsibility Act. I am happy to announce that the fiscal deficit in those years was limited to 2.88% and 3.24% only, even while providing the economic stimulus.

268. The Thirteenth Finance Commission has recommended a road map for bringing the Central and State Finances back to the fiscal reforms path. During the current year, economic growth has revived and it has had a positive impact on the tax collection.

However, a sudden decrease from the fiscal deficit of 4% allowed during 2009 to the normal level of 3% during 2010-11 may lead to sharp contraction in the public spending. Recognizing these practical difficulties, the Finance Commission had recommended that the year 2010-11 could be a year of transition. As a result, Government of India had advised State Government to limit the fiscal deficit to 3.44%.

269. Finance Commission has also recommended specific goals for outstanding debt and enhancement of transparency in Medium Term Fiscal Plan. Appropriate incorporation of these recommendations in the Karnataka Fiscal Responsibility Act has been made as a condition by Government of India for release of State specific grants recommended by the Finance Commission and for waiver of certain debts. Considering this advice from Government of India, I propose to seek approval of the house for amendment to Karnataka Fiscal Responsibility Act to align it with the recommendations of the 13th Finance Commission.

Revised Estimates 2010-11

270. As per budget estimates for the year 2010-11 total receipts were estimated to be Rs.68,564 crores. As per revised estimates total receipts are Rs.65,258 crores. As per budget estimates total expenditure was estimated to be Rs.70,063 crores. Now, as per revised estimates total expenditure is Rs.72,277 crores.

271. As per the revised estimates, revenue surplus would be Rs. 1,595 crore and fiscal deficit would be Rs. 11,700 crore. Fiscal deficit would be 3.07 % of the GSDP.

272. During 2010-11 Budget the State Plan was fixed at Rs.31,000 Crore. As per revised estimates, it is expected to be

Rs.31,050 Crore. As compared to the achievement of Rs.26,944 crore during the previous year, the plan achievement during 2010-11 is more by 15.2%.

273. In 2010-11 budget it was estimated to generate Rs.36,228 Crore from State's Own Taxes. Through efficient and effective measures it has become possible for the Government to collect Rs.38,049 Crore surpassing the revenue target. Compared to the previous year this amount is higher by 24.4%. In addition, Rs.425 Crore will be collected in the form of Cess.

Budget Estimates 2011-12

274. Total receipts are expected to be Rs. 83,729 crore for the year 2011-12. It includes Rs. 66,313 crore of revenue receipts and Rs. 17,416 crores of Capital Receipts. Total expenditure is estimated to be Rs.85,319 crores, consisting of revenue expenditure of Rs.65,034 crore and Capital Expenditure of Rs.20,285 crore.

275. During 2011-12 Revenue Surplus is estimated to be Rs.1,279 crore. During 2011-12 Fiscal Deficit is expected to be Rs.12,482 crore, which is 2.87 % of GSDP.

Resource Collection

276. As a result of the above mentioned proposals of exemptions and actions for tax collection, additional resources of Rs.1,020 crore is to be realized. The State's total own tax revenue for the year 2011-12 is estimated to be Rs.43,817 crore.

277. Rs.3,675 crore is expected to be collected from Non-tax revenue. During 2011-12, Rs.8,402 crore is expected by devolution and Rs.10,419 crore is expected by grants from Government of India.

Including Rs.15,354 crore from borrowing, the total capital receipts is expected to be Rs.17,416 crore.

278. Besides, State-owned Corporations and Local Bodies will allocate resources to development works by raising loans from financial institutions on the basis of their repayment capacity from own resources. It is estimated that such institutions will generate resources to the extent of Rs.5,772 crore from their internal resources and borrowings during the next year.

Legal Amendments

279. It is required to make necessary amendments in the relevant tax laws for implementing the above mentioned tax and other reform measures. Besides, in accordance with the suggestion made by the Government of India, the statutory limit of fiscal deficit needs to be increased to 3.44% by amending the specific provisions of the Karnataka Fiscal Responsibility Act, 2002. Accordingly, the necessary amendments are being tabled before the august House.

Hon'ble Speaker,

280. While presenting the 2011-12 Budget Estimates for the consideration of the august House, I seek the approval for Vote on Account to incur expenditure up to 31st July, 2011 as per the Budget Estimates.

Jai Hind

Jai Karnataka

Sl. No.	Item	Budget Estimates 2010-11	Revised Estimates 2010-11	Budget Estimates 2011-12
	Opening Balance	-44.80	-107.68	88.47
A.	**REVENUE ACCOUNT**			
I.	**Receipts**			
	State Taxes	36228.32	38048.67	43817.10
	Share of Central Taxes	9060.09	9310.09	10418.99
	Grants from Central Government	5530.47	6906.34	8402.38
	Non-tax Revenue	2819.90	3519.48	3674.79
	Total-A I	**53638.78**	**57784.58**	**66313.26**
II.	**Expenditure**			
	Social Services	21952.46	23034.13	24878.75
	Economic Services	12226.15	15856.38	17299.35
	General Services	16074.54	14613.58	18512.87
	Grants-in-aid & Contributions	2885.14	2685.14	4343.36
	Total-A II	**53138.29**	**56189.23**	**65034.33**
A.	Revenue Account Surplus/Deficit	500.49	1595.35	1278.94

A GLANCE

(Rs. in crores)

Sl. No.	Item	Budget Estimates 2010-11	Revised Estimates 2010-11	Budget Estimates 2011-12
B.	**CAPITAL ACCOUNT**			
I.	**Receipts:**			
	Loans from Government of India	1142.00	1538.72	1738.80
	Open Market Loans (Net)	7028.19	1028.18	8199.75
	Loans from LIC, RBI, GIC, NSSF & NCDC	1530.41	3605.00	2765.00
	Recoveries of Loans and Advances	103.25	159.50	61.72
	Public Account (Net) etc.	1550.36	7215.36	1884.75
	Total-B I	**11354.21**	**13546.76**	**14650.02**
II.	**Disbursements :**			
	Capital Outlay (Net)	8977.76	11817.42	11754.44
	Repayment of Central Loans	549.97	543.93	590.51
	Repayment of Loans to LIC, RBI, GIC, NSSF and NCDC	941.11	956.25	1221.35
	Disbursement of Loans & Advances	1334.44	1637.36	2067.88
	Total-B II	**11803.28**	**14945.96**	**15634.18**
B.	Capital Account Surplus/Deficit (-)	**-449.07**	**-1399.20**	**-984.16**
C.	Overall Surplus/Deficit for the Year	**51.42**	**196.15**	**294.78**
D.	Closing Balance	**6.62**	**88.47**	**383.25**

ANNEXURE - I

SECTORAL ALLOCATION FOR 2011-12 *

	Sector	Rs. in Crore
1.	Agricultural & Horticulture	3179
2.	Animal Husbandry & Fisheries	1077
3.	Home & Transport	3602
4.	Rural Development & Panchayat Raj	4385
5.	Social Welfare	3264
6.	Women & Child Development	2399
7.	Revenue	2415
8.	Housing	1194
9.	Education	12284
10.	Commerce & Industries	1457
11.	Urban Development	7710
12.	Public Works	4319
13.	Water Resources	7800
14.	Health & Family Welfare	3254
15.	Energy	8523

* This allocation includes Internal Extra Budgetary Resources.

ANNEXURE – 2

(Para – 248)

EXISTING AND PROPOSED DECLARED PRICE AND AED RATES

SL. No.	EXISTING		PROPOSED	
	Declared Price	AED	Declared Price	AED
1	275-324	72	300-349	79
2	325-374	93	350-399	102
3	375-424	117	400-449	129
4	425-474	153	450-499	168
5	475-574	168	500-599	193
6	575-674	189	600-699	217
7	675-774	200	700-799	230
8	775-874	216	800-899	248
9	875-974	227	900-999	261
10	975-1074	243	1000-1099	292
11	1075-1174	254	1100-1199	305
12	1175-1274	270	1200-1299	324
13	1275-1674	291	1300-1699	349
14	1675-2074	324	1700-2099	389
15	2075-4799	356	2100-4824	427
16	4800-7525	405	4825-7550	486
17	7526 & Above	Rs. 540 or 6% per BL on the declared price-whichever is more	7551 & Above	Rs. 566 or 7.5% per BL on the declared price-whichever is more

* AED : Additional Excise Duty

Annexure – 3
(Para – 264)

Changes proposed to the SCHEDULE of the Karnataka Stamp Act 1957

Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
1	**Agreement or [its records or] Memorandum of an Agreement**	5(e)(ii)	Agreement for Sale wherein possession of the property is not delivered	1% on the sale consideration as set forth in the agreement for sale.	Agreement for Sale wherein possession of the property is not delivered **Explanation:** When a reference, of a Power of Attorney granted separately by the seller to the purchaser in respect of the property which is the subject matter of such agreement, is mentioned in the agreement, the possession of the property is deemed to have been delivered for the purpose of the clause 5(e)(i).	0.1% on the sale consideration as set forth in the agreement for sale. Provided that, if the proper Stamp duty is paid on power of Attorney under Article 41(e) or 41 (e b), as the case may be executed between the same parties in respect of the same property, then the stamp duty chargeable on such agreement [under article 5(e)] shall not exceed Rs. 200/-.
		5(f)	If relating to construction or development or sale of an immovable property, including a multi-unit house or building or unit of apartment or flat or portion of a multi-storied building by a person having a stipulation that after construction or development, such property shall be held jointly or severally by that	One rupee for every one hundred rupees or part thereof on the market value of the property which is the subject matter of such agreement or on the consideration for such agreement whichever is higher, subject to a maximum of Rs. one Lakh fifty	"omitted"	"omitted"

Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
			person and the owner or lessee, as the case may be, of such property, or that it shall be sold jointly or severally by them or that a part of it shall be held jointly or severally by them and the remaining part thereof shall be sold jointly or severally by them. **Explanation I.**- (1) the expression "lessee" shall mean a holder of a lease, for a period exceeding thirty years or more, or in perpetuity or does not purport to be for any definite term. (2) the expression "building" shall mean a building having more than one apartment or flat or office accommodation or portion of a multi-storied building.	thousand. Provided that, if the proper Stamp duty is paid under Article 41 (e a) on power of Attorney, executed between the same parties in respect of same property, then the stamp duty chargeable on such agreement shall not exceed Rs. 200/-.		
			Explanation II,- For the purpose of clause (e), clause (f) and clause (h) where subsequently conveyance or mortgage as the case may be, is executed between the same parties in pursuance of such agreement or its records or memorandum, the stamp duty, if any, already paid and recovered in the agreement or its record or memorandum shall be	----------	**Explanation II,-** For the purpose of clause (e) and clause (h) where subsequently conveyance or mortgage as the case may be, is executed between the same parties in pursuance of such agreement or its records or memorandum, the stamp duty, if any, already paid and	----------

Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
			adjusted towards the total duty leviable on the conveyance or mortgage, as the case may be.		recovered in the agreement or its record or memorandum shall be adjusted towards the total duty leviable on the conveyance or mortgage, as the case may be.	
2	**If relating to an order made by the High Court under Section 394 of the Companies Act, 1956 in respect of.-**	20(4)(i)	Amalgamation of Companies, including a subsidiary amalgamating with parent company	3% on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company; or An amount equal to 0.7% of the aggregate value of shares issued or allotted in exchange, or otherwise and in case of a subsidiary company, shares merged (or cancelled) with parent company and in addition, the amount of consideration if any, paid for such amalgamation; -whichever is higher.	Amalgamation of Companies, including a subsidiary amalgamating with parent company	2% on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company; **or** An amount equal to 1% of the aggregate value of shares issued or allotted in exchange or otherwise, and in case of a subsidiary company shares merged (or cancelled) with parent company, for such amalgamation; **-whichever is higher.**

Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
		20(4)(ii)	Reconstruction or Demerger of a company	3% on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the resulting company; or An amount equal to 0.7% of the aggregate value of shares issued or allotted to the resulting company and in addition, the amount of consideration if any, paid for such demerger or reconstruction; -whichever is higher.	Reconstruction or Demerger of a company	2% on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the resulting company; **Or** An amount equal to 1 % of the aggregate value of shares issued or allotted to the resulting company; **-whichever is higher** **Explanation:** The term, "aggregate value of shares" for the purpose of Article 20(4), means the face value of shares or its market value, whichever is higher.
3.	**Notarial Act**	36	That is to say, any instrument, endorsement note, attestation, certificate, or entry not being a protest (No. 42) made or signed by a Notary Public in the execution of the duties of his office, or by any other person lawfully acting as a Notary Public. See also Protest of Bill or Note (No. 42).	Ten rupees	(no change) Same as in column 4(a)	Exempted
4.	**Power of Attorney- (as defined by Section 2(1)(p) not being a proxy-**	41(e)	---------	Provided that the duty paid on such power of attorney is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently between the same	----------	Provided that the duty paid on such power of attorney is adjustable towards the duty payable on agreement for sale under article 5(e) or on instrument of sale or transfer executed between the same parties and in respect of the same

Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
				parties and in respect of the same property.		property.
		41(ea)	When given for construction/development or sale of an immovable property, including a multi-unit house or building or unit of apartment or flat or portion of a multi-storied building to a person having a stipulation that after construction or development, such property shall be held jointly or severally by person and the owner or lessee, as the case may be, of such property, or that it shall be sold jointly or severally by them or that a part of to shall be held jointly or severally by them and the remaining part thereof shall be sold jointly or severally by them. **Explanation:-** (1) the expression "lessee" shall mean a holder of a lease, for a period exceeding thirty years or more, or in perpetuity or does not purport to be for any definite term. (2) the expression "building" shall mean a building having more than one apartment or flat or office accommodation or portion	One rupee for every one hundred rupees or part thereof on the market value of the property which is the subject matter of such Power of Attorney or on the consideration for such Power of Attorney, whichever is higher, subject to a maximum of Rs. one Lakh fifty thousand. Provided that, when proper stamp duty is paid under Article 5(f) on such agreement or records there of or memorandum of an agreement executed between the same parties and in respect of the same property, the duty chargeable on such power of attorney shall not exceed Rs. 200/- Provided further that the duty paid on such power attorney is adjustable towards the duty payable on the instrument of sale or transfer executed	"omitted"	"omitted"

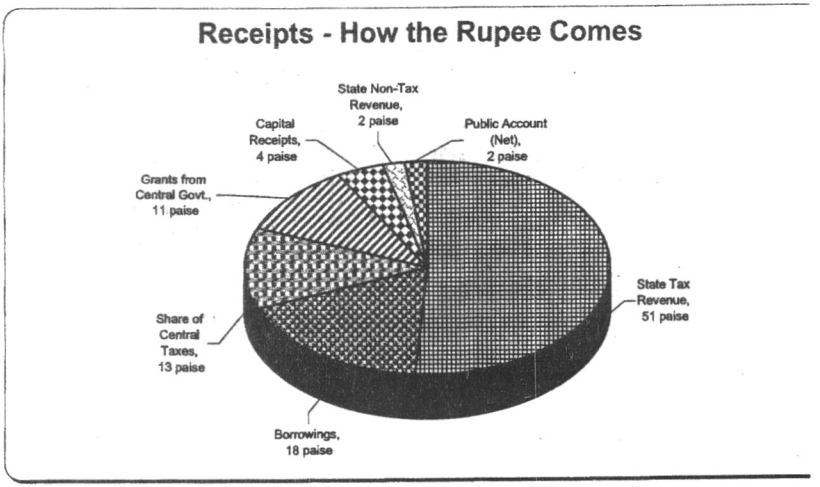
Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
			of a multi-storied building.	subsequently between the same parties and in respect of the same property		
		41(eb)		Provided that the duty paid on such instrument is adjustable towards the duty payable on the instrument of sale or transfer executed subsequently in favour of either the Attorney holder or any other person.		Provided that the duty paid on such power of attorney is adjustable towards the duty payable on agreement for sale under article 5(e) or on instrument of sale or transfer executed between the same parties in respect of the same property.
		41(ec)	New insertion	New insertion	When executed by a principal (client) for the sole purpose of authorizing the agent (broker) to carry out all lawful acts and deeds relating to his / her trading operations including sale / purchase of marketable securities transfer of securities towards stock exchange, receiving / releasing funds and securities from / to other parties on behalf of the principal (client).	Fifty rupees only

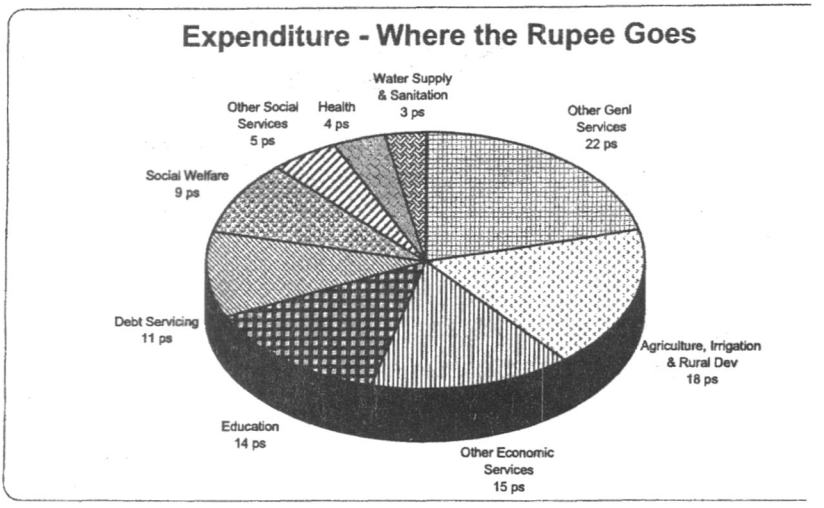
Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
		41(ed)	New insertion	New insertion	When executed by a principal client for the sole purpose of authorizing the depository participant to carry out all lawful acts and deeds relating to his/her demat account as per the bye-laws of the depositories / regulations governing such operations.	Fifty rupees only
5	Transfer	52(d)	of any trust property from the trustee to another trustee or from a trustee to a beneficiary	Rupees Two Hundred	of any trust property from one trust to another trust; or from Trust to trustee or beneficiary, or from trustee to trust or trustee or beneficiary, as the case may be.	The same duty as a conveyance [under Article 20 (1)] on the market value of the property (which is the subject matter of such transfer); or consideration for such transfer; - whichever is higher. Proviso: for the public charitable and religious trusts, the duty for such transfer shall be Rs. 1000/- only.
6	Trust	54	A. Declaration of._____		A. Declaration of or concerning, any property when made by any writing not being a Will.-	
			(i) Concerning any money or amount conveyed by the author to the trust as corpus.	Rupees Five hundred.	(i) When the Trust is made exclusively for public religious and charitable purpose.	Rupees One Thousand only.
			(ii) Concerning or any immovable property	Rupees Five hundred.	(ii) When the Trust is made, for the	Rupees One Thousand only

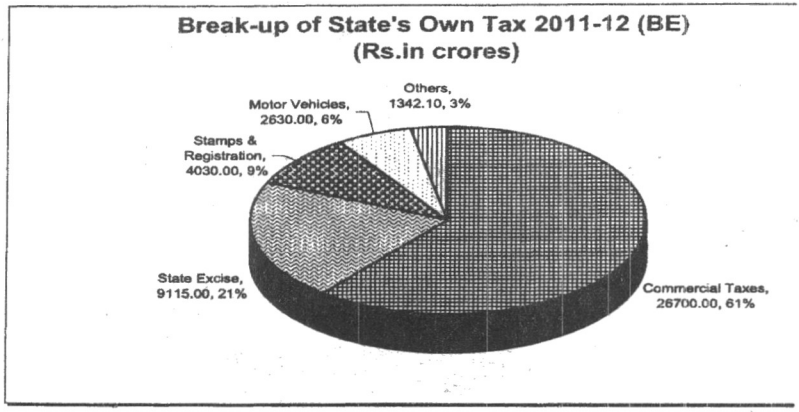
Sl. No. (1)	Item in the Schedule (2)	Article No. (3)	Existing (4)		Proposed (5)	
			Description (a)	Rate (b)	Description (a)	Rate (b)
			owned by the author and conveyed to the Trust of which, the author is the sole Trustee.		management & custody of properties, for the purpose of distributing the benefits/profits of the property to the beneficiaries and where there is no transfer/ disposition of property, in any way.	
			(iii) Concerning any immovable property owned by the author and conveyed to the Trust of which, the author is not a Trustee or one of the Trustees.	The same duty as a conveyance [Article 20(1)] for the market value of the property conveyed.]	(iii)When the trust made, involves the transfer/ disposition of property in any way;	The same duty as conveyance [under Article No. 20(1)] on the amount and the market value of the property, which is the subject matter of such transfer / disposition,
			B. Revocation of or concerning any property when made by any instrument other than a will.	The same duty as a Bond (No.12) for a sum equal to the amount or value of the property concerned as set forth in the instrument, but not exceeding [Two Hundred rupees]	"omitted"	"omitted"

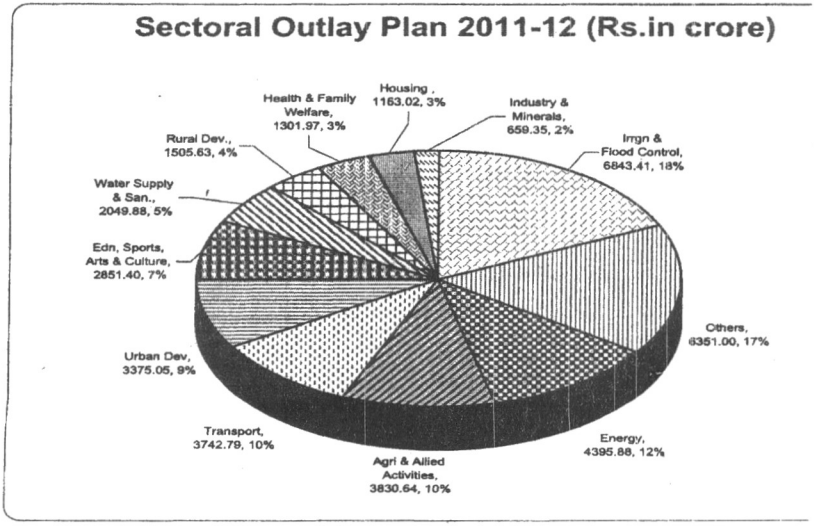
ANNEXURE - 4
(Para - 265)

Existing			Proposed		
Sl. No.	**Item No.**	**Particulars**	**Sl. No.**	**Item No.**	**Particulars**
1	1	There shall be levied and collected by way of cess for the purpose of various infrastructure projects across the State, equity investment in Bangalore Mass Rapid Transit Limited and establishing a Mukhya Manthiri Grameena Rasthe Abhivruddhi Nidhi in the proportion of 57:28:15, respectively a tax at the rate of ten percentum of the tax levied under section 3 on the Motor Vehicles registered under Motor Vehicles Act, 1988 (Central Act 59 of 1988)"	1	1	There shall be levied and collected by way of cess, a cess at the rate of eleven percentum of the tax is levied under section 3 on the Motor Vehicles registered under Motor Vehicles Act, 1988 (Central Act 59 of 1988) out of which ten pertentum for the purpose of various infrastructure projects across the State, equity investment in Bangalore, Mass Rapid Transit Limited, establishing a Mukhya Manthiri Grameena Rasthe Abhivruddhi Nidhi in the proportion of 57:28:15 and one percentum for the purpose of Urban Transport Fund respectively.
2	2	10-A. Levy of cess in the case of fleet owner:- (1) There shall be levied and collected by way of cess for the prupose of various infrastructure projects across the State Equity investment in Bangalore Mass Rapid Transit Limited and establishing a Mukhya Manthri Grameena Rasthe Abhivruddhi Nidhi in the proportion of 57:28:15 respectively a tax at the rate of ten percentum of the tax levied under section 10-A on public service vehicles owned by a fleet owner.	2	2	10-A. Levy of cess in the case of fleet owner:- (1) There shall be levied and collected by way of cess, cess at the rate of eleven percentum of the tax is levied under section 10-A on public service vehicles owned by a fleet owner, of which ten percentum for the purpose of various infrastructure projects across the State, equity investment in Bangalore, Mass Rapid Transit Limited, establishing a Mukhya Manthiri Grameena Rasthe Abhivruddhi Nidhi in the proportion of 57:28:15 respectively and one percentum for the purpose of Urban Transport Fund respectively.


Receipts - How the Rupee Comes
State Non-Tax Revenue, 2 paise
Capital Receipts, 4 paise
Public Account (Net), 2 paise
Grants from Central Govt., 11 paise
State Tax Revenue, 51 paise
Share of Central Taxes, 13 paise
Borrowings, 18 paise


Expenditure - Where the Rupee Goes
Water Supply & Sanitation 3 ps
Other Social Services 5 ps
Health 4 ps
Other Genl Services 22 ps
Social Welfare 9 ps
Debt Servicing 11 ps
Agriculture, Irrigation & Rural Dev 18 ps
Education 14 ps
Other Economic Services 15 ps





ಅಧ್ಯಕ್ಷರು: ಮಂಡಿಸಲಾಯಿತು. ಈಗ ಸದನವನ್ನು ನಾಳೆ ಬೆಳಿಗ್ಗೆ 10.00 ಗಂಟೆಗೆ ಸೇರುವಂತೆ ಮುಂದೂಡಲಾಗಿದೆ.

(ಸದನವು 12 ಗಂಟೆ 32 ನಿಮಿಷಕ್ಕೆ ಮುಕ್ತಾಯಗೊಂಡು ದಿನಾಂಕ 7–1–2011ರಂದು ಬೆಳಿಗ್ಗೆ 10.00 ಗಂಟೆಗೆ ಸಮಾವೇಶಗೊಳ್ಳಲು ನಿಶ್ಚಯಿಸಿತು).

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